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January 5, 2001

VIA HAND DELIVERY

David Waddell, Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37238

Re: *Petition of Sprint Communications Company L.P. for Arbitration with  
BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the  
Telecommunications Act of 1996*  
Docket No. 00-00691

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of the following testimony on  
behalf of BellSouth:

David A. Coon  
John Ruscilli  
W. Keith Milner

Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch  
Enclosure

### CERTIFICATE OF SERVICE

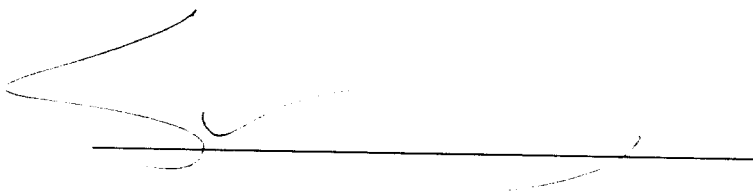
I hereby certify that on January 5, 2001, a copy of the foregoing document was served on the parties of record, via hand delivery or U.S. Mail, postage-prepaid, addressed as follows:

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William R. Atkinson, Esq.  
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Sprint Communications  
3100 Cumberland Circle  
Atlanta, GA 30339

A handwritten signature in black ink, appearing to be 'S. Wright', is written over a horizontal line.

1                   BELLSOUTH TELECOMMUNICATIONS, INC.

2                   DIRECT TESTIMONY OF DAVID A. COON

3                   BEFORE THE TENNESSEE REGULATORY AUTHORITY

4                   DOCKET NO. 00-00691

5                   JANUARY 5, 2001

6  
7    Q.    PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH  
8           TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS  
9           ADDRESS.

10  
11   A.   My name is David A. Coon. I am employed by BellSouth as Director –  
12           Interconnection Services for the nine-state BellSouth region. My business address is  
13           675 West Peachtree Street, Atlanta, Georgia 30375.

14  
15   Q.    WHAT IS YOUR PROFESSIONAL EXPERIENCE AND EDUCATIONAL  
16           BACKGROUND?

17  
18   A.   My career at BellSouth spans over 21 years and includes positions in Network,  
19           Regulatory, Finance, Corporate Planning, Small Business Services and  
20           Interconnection Operations. Prior to my BellSouth employment, I performed a variety  
21           of functions in the Network, Regulatory and Marketing Support organizations of C&P  
22           Telephone Company-Washington. I have extensive experience in the development  
23           and use of quantitative measurements and results including the establishment, analysis

1 and monitoring of BellSouth process measures. I received a Bachelors Degree in Civil  
2 Engineering from Ohio University and a Masters Degree in Engineering  
3 Administration from George Washington University. I received the Certified  
4 Management Accountant (CMA) designation in 1996 from the Institute of  
5 Management Accountants.

6  
7 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

8  
9 A. I will respond to issues 23 and 24 in the Sprint Petition for Arbitration in Tennessee.

10  
11 ***ISSUE NO. 23: Attachment 9, Performance Measurements, Section 5.9 – Disaggregation***  
12 ***of Measurement Data***

13  
14 Q. WHAT IS THE APPROPRIATE LEVEL OF GEOGRAPHIC DISAGGREGATION  
15 TO BE USED BY BELL SOUTH IN PRODUCING IT'S SERVICE QUALITY  
16 MEASUREMENTS?

17  
18 A. BellSouth believes that in producing service quality measurements in Tennessee, the  
19 appropriate level of disaggregation is at the state level for most measurements.  
20 However, disaggregation should be at the regional level for those measurements, e.g.  
21 OSS Response Interval/Availability and Billing, where measurements are produced  
22 from OSSs that are common to the entire BellSouth region and not state specific.

1 Q. WHY IS STATE LEVEL REPORTING ADEQUATE ON THOSE  
2 MEASUREMENTS THAT ARE NOT REGIONAL IN SCOPE?

3  
4 A. The 1996 Act requires BellSouth to produce Performance Measurements that permit  
5 regulatory bodies to monitor non-discriminatory access. It was not the intent of the  
6 Act or the FCC to have measurements for each and every process or sub-process, for  
7 each and every product, at the lowest geographic level, each month.

8  
9 Each month, BellSouth's performance measurements results, which are currently  
10 based on state or regional geographic disaggregation, includes approximately 8,000  
11 numbers. These results would, at a minimum, triple if reporting were done at some  
12 lower geographic disaggregation such as the MSA level. In considering additional  
13 geographic disaggregation below the state level, the Authority must consider if even  
14 more results will clarify or complicate the Authority's ability to detect non-  
15 discriminatory access.

16  
17 ***ISSUE NO. 24: Attachment 9, Performance Measurements, Section 6 – Audits. Should the***  
18 ***Agreement include BellSouth's limited performance measurements audit that***  
19 ***provides for one annual, aggregate level audit, as reflected in Appendix C of***  
20 ***BellSouth's current Service Quality Measurements ("SQM") document?***

1 Q. IS BELLSOUTH'S SQM APPENDIX C AUDIT PROPOSAL SUFFICIENT FOR  
2 THE TENNESSEE REGULATORY AUTHORITY TO CONCLUDE THAT  
3 BELLSOUTH MEETS ITS OBLIGATIONS UNDER THE ACT?

4  
5 A. Yes. BellSouth's SQM, Appendix C, sets forth BellSouth's position on auditing  
6 performance measurements. This position provides the Authority with sufficient  
7 auditing capability to conclude that BellSouth is meeting its obligations under the Act.

8  
9 Q. HOW DOES BELLSOUTH'S AUDIT POSITION DIFFER FROM SPRINT'S  
10 PROPOSAL?

11  
12 A. BellSouth's audit proposal. Appendix C of the SQM, states that "if requested by a  
13 Public Service Commission or by a CLEC exercising contractual audit rights,  
14 BellSouth will agree to undergo a comprehensive audit of the current year aggregate  
15 level reports for both BellSouth and the CLEC(s) for each of the next five (5) years  
16 (2000-2005), to be conducted by an independent third party. The results of that audit  
17 will be made available to all parties (CLECs) subject to proper safeguards to protect  
18 proprietary information. This aggregate level audit includes the following  
19 specifications:

- 20 1. The cost shall be borne 50% by BellSouth and 50% by the CLEC or  
21 CLECs.  
22 2. The independent third party auditor shall be selected with input from  
23 BellSouth, the TRA, if applicable, and the CLEC(s).

1                   3. BellSouth, the TRA and the CLEC(s) shall jointly determine the scope of  
2                   the audit.”

3  
4           BellSouth’s Performance Measurements are produced from a regional system,  
5           controlled by regional policies and administered by a single group of employees and  
6           programmers. The processes and programs used to produce Sprint’s results in  
7           Tennessee are the same processes and programs used to produce any other CLEC’s  
8           results in Tennessee. Those uniform processes, coupled with the audit provisions  
9           highlighted above means a single comprehensive audit per year will address the needs  
10          of the entire CLEC community in aggregate and the Authority. BellSouth would  
11          absorb 50% of the cost. If Sprint’s proposal were adopted region-wide, BellSouth  
12          could be faced with participating in over 900 audits a year (there are currently 918  
13          CLECs with agreements in BellSouth’s region). Given that there are 261 working  
14          days in a year, discounting weekends, that could equate to more than 3.4 audits a day.  
15          If Sprint’s auditing proposal was mandated by this Authority solely and exclusively  
16          for Sprint, then by definition, Sprint would be receiving discriminatory treatment not  
17          available to other CLECs contrary to the requirements of the 1996 Act. Sprint further  
18          proposes additional “mini-audits” of individual measurements “limited to no more  
19          than three (3) requests in each calendar year”. Using the same rationale described  
20          above this could increase the number of audits requiring BellSouth’s participation by  
21          an additional 270 (90 CLECs X 3 mini-audits/year) per year which equates to  
22          approximately 10 audits per day. Regardless of who pays for these audits, this is  
23          totally unreasonable and would dictate a tremendous burden on BellSouth resources.

1

2 Q. ARE THERE ANY ALTERNATIVES TO THE "MINI-AUDITS" PROPOSED BY  
3 SPRINT IDENTIFIED ABOVE?

4

5 Q. Yes. BellSouth provides the CLECs, including Sprint, with the raw data underlying  
6 many of the BellSouth Service Quality Measurements reports as well as a user manual  
7 on how to manipulate the data into reports. The CLECs, including Sprint, can use this  
8 raw data to validate the results in the BellSouth Service Quality Measurements reports  
9 posted every month on the BellSouth web site. In addition, the underlying raw data is  
10 in the process of being audited and validated by KPMG in Georgia and Florida.

11

12 This data and the user manual allow the CLECs to build customized reports and  
13 further disaggregate reports based on individual CLEC needs. I know of no other  
14 local exchange company that provides similar tools to the CLEC community.

15

16

17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

18

19 A. Yes

20



1                               BELLSOUTH TELECOMMUNICATIONS, INC.  
2                               DIRECT TESTIMONY OF JOHN ANTHONY RUSCILLI  
3                               BEFORE THE TENNESSEEE REGULATORY AUTHORITY  
4                               DOCKET NO. 00-00691  
5                               JANUARY 5, 2001  
6

7    Q.    PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH  
8           TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR  
9           BUSINESS ADDRESS.

10  
11   A.    My name is John Anthony Ruscilli, and I am employed by BellSouth as Senior  
12           Director for State Regulatory for the nine-state BellSouth region. My business  
13           address is 675 West Peachtree Street, Atlanta, Georgia 30375.

14  
15   Q.    PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND  
16           AND EXPERIENCE.

17  
18   A.    I attended the University of Alabama in Birmingham where I earned a  
19           Bachelor of Science Degree in 1979, and a Master's Degree in Business  
20           Administration in 1982. After graduation I began employment with South  
21           Central Bell as an Account Executive in Marketing, transferring to AT&T in  
22           1983. I joined BellSouth in late 1984 as an analyst in Market Research, and in  
23           late 1985 I moved into the Pricing and Economics organization with various  
24           responsibilities for business case analysis, tariffing, demand analysis and price  
25           regulation. I served as a subject matter expert on ISDN tariffing in various

1 Commission and PSC staff meetings in Florida, Tennessee, North Carolina and  
2 Georgia. I later moved into the State Regulatory and External Affairs  
3 organization with responsibility for implementing both state price regulation  
4 requirements and the provisions of the Telecommunications Act of 1996 (the  
5 “Act”), through arbitration and 271 hearing support. In July 1997, I became  
6 Director of Regulatory and Legislative Affairs for BellSouth Long Distance,  
7 Inc., with responsibilities that included obtaining the necessary certificates of  
8 public convenience and necessity, testifying, FCC and PSC support, Federal  
9 and State compliance reporting and tariffing for all 50 states and the FCC. I  
10 assumed my current position in July 2000.

11

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY BEING FILED  
13 TODAY?

14

15 A. The purpose of my testimony is to present BellSouth’s position on fourteen  
16 unresolved issues in the negotiations between BellSouth and Sprint  
17 Communications Company, L.P. (“Sprint”). BellSouth and Sprint have  
18 negotiated in good faith and have resolved many of the issues raised during the  
19 negotiations. There are, however, issues about which the companies have been  
20 unable to reach agreement. Twenty-six of those issues were included in the  
21 Petition for Arbitration (the “Petition”) filed by Sprint with the Tennessee  
22 Regulatory Authority (“TRA” or “Authority”) on August 7, 2000. Four  
23 additional issues, being addressed in testimony by both Sprint and BellSouth,  
24 were included in Exhibit “B” of the Petition. Each of these thirty issues was  
25 included in the Joint Positions Matrix filed with the Authority on November

1 17, 2000. It is my understanding that Issues 1, 2, 5, 15 and 19 have been  
2 settled, and therefore will not be addressed in the direct testimony being filed  
3 today. My testimony addresses Issues 3, 4, 6-12, 22, 25, 26, 29, and 43  
4 included in the Joint Positions Matrix. Mr. Keith Milner addresses Issues 13,  
5 14, 16-18, 20, 21, 45 and 47, and Issues 23 and 24 are addressed by Mr. Dave  
6 Coon.

7  
8 ***Issue No. 3: Should BellSouth make its Custom Calling features available for resale***  
9 ***on a stand-alone basis?***

10  
11 Q. WHAT HAS THE FCC DECIDED WITH REGARD TO THIS ISSUE?

12  
13 A. BellSouth is not obligated to disaggregate its retail services for resale. As the  
14 FCC made clear in ¶877 of its First Report and Order:

15 *On the other hand, section 251(c)(4) does not impose on incumbent*  
16 *LECs the obligation to disaggregate a retail service into more discrete*  
17 *retail services. The 1996 Act merely requires that any retail services*  
18 *offered to customers be made available for resale.*

19 Sprint is not requesting a service that, as discussed below, BellSouth offers at  
20 retail. On the contrary, Sprint is requesting BellSouth to create a new retail  
21 service (stand-alone custom calling services) and allow Sprint to resell it.

22  
23 Q. HOW ARE CUSTOM CALLING SERVICES OFFERED IN BELL SOUTH'S  
24 TARIFF?

1 Custom Calling Services can be found in Section A13.9 of BellSouth's  
2 Tennessee General Subscriber Services Tariff (GSST). Section A13.9.2B, in  
3 part, reads:

4 *The services (Custom Calling Services) are furnished in connection*  
5 *with individual line service. . .*

6 BellSouth does not offer its Custom Calling Services to its end-users  
7 (subscribers) on a stand-alone basis. These services must be purchased in  
8 conjunction with basic telephone service. Consequently, there is no retail  
9 service to resell.

10

11 Q. PLEASE ADDRESS SPRINT'S RELIANCE ON FCC RULE 51.613(b) FOR  
12 ITS POSITION ON THIS ISSUE.

13

14 A. Sprint's reliance on 47 CFR 51.613(b) is misplaced. The issue here is not  
15 whether a resale restriction applies, but whether there is a retail service being  
16 offered to end-users that Sprint can resell. This rule, and Section 251(c)(4)(B),  
17 address resale restrictions on "such telecommunications service." "Such  
18 telecommunications service" refers to specific services that BellSouth provides  
19 to its end-users. Again, BellSouth does not provide Custom Calling services to  
20 end-users without also providing basic exchange service. Similarly, BellSouth  
21 cannot provide vertical services to a CLEC's customer regardless of whether  
22 the CLEC provides the service via resale or via its own facility.

23

1 Q. PLEASE COMMENT ON SPRINT'S CATEGORIZATION OF HOW  
2 BELL SOUTH PROVIDES CUSTOM CALLING FEATURES TO END-  
3 USERS AS A RESALE RESTRICTION.  
4

5 A. First, in this case, whether BellSouth can technically offer Custom Calling  
6 services to Sprint on a stand-alone basis is questionable. I am not aware of any  
7 means to access Custom Calling Services except through a switch. Even if  
8 Sprint were to order these Custom Calling Services as Unbundled Network  
9 Elements ("UNEs"), Custom Calling Features are only available in conjunction  
10 with local switching, and are defined as part of local switching.  
11

12 Second, as stated in the previous answer, BellSouth is not applying a resale  
13 restriction to Sprint; however, Sprint's proposal will create other issues. For  
14 example, when a customer purchases local service, they also have access to all  
15 vertical features offered in conjunction with that service. What happens in the  
16 case of a different CLEC requesting to resell the line (provide actual local  
17 service dial tone) of the BellSouth customer to whom Sprint is reselling the  
18 stand-alone vertical services? A CLEC that resells a BellSouth customer's line  
19 is entitled also to resell vertical services to that customer. This is analogous to  
20 a previous ruling adopted by the FCC on September 27, 1996. In the Order on  
21 Reconsideration in CC Docket No. 96-98, the FCC states in ¶11:

22 *Thus, a carrier that purchases the unbundled local switching element*  
23 *to serve an end user effectively obtains the exclusive right to provide all*  
24 *features, functions, and capabilities of the switch, including switching*

1                   *for exchange access and local exchange service, for that end user.*

2                   *[Emphasis added.]*

3           If the provider of service via UNEs has exclusive rights to the vertical services  
4           of local switching, it would appear that the provider of service via resale also  
5           has the same exclusive rights. If the TRA requires BellSouth to provide  
6           vertical services to Sprint on a stand-alone basis, BellSouth may not be able to  
7           provide non-discriminatory resale to another CLEC.

8

9   Q.    WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

10

11   A.   BellSouth's position is that it is not obligated to offer, to Sprint or any other  
12       CLEC, Custom Calling Services on a stand-alone basis. BellSouth makes  
13       available for resale any telecommunications service that BellSouth offers on a  
14       retail basis to subscribers that are not telecommunications carriers. As shown  
15       above, BellSouth does not offer Custom Calling Services to end users on a  
16       stand-alone basis, therefore, BellSouth does not have to provide these services  
17       to Sprint, for resale, on a stand-alone basis.

18

19       Further, it appears to BellSouth that Sprint is trying to become most anything  
20       except a provider of local service in BellSouth's Tennessee serving area. In  
21       this issue, Sprint is asking to be allowed to reap the benefits of being a local  
22       carrier (i.e., for purposes of resale, purchase Custom Calling Services from  
23       BellSouth) without even being the provider of local service.

24

1 ILECs to provide UNEs in a manner that allows requesting carriers to combine  
2 such telecommunications services, the Eighth Circuit stated: “[h]ere Congress  
3 has directly spoken on the issue of who shall combine previously uncombined  
4 network elements. It is the requesting carriers who shall ‘combine such  
5 elements.’ It is not the duty of the ILECs to ‘perform the functions necessary  
6 to combine unbundled network elements in any manner’ as required by the  
7 FCC’s rule.”

8

9 Q. WHAT IS BELL SOUTH’S POSITION ON THIS ISSUE?

10

11 A. BellSouth’s position is that it should only be required to provide combinations  
12 to Sprint at cost-based prices if the elements are, in fact, combined and  
13 providing service to a particular customer at a particular location. That is,  
14 BellSouth will make combinations of UNEs available to Sprint consistent with  
15 BellSouth’s obligations under the 1996 Act and applicable FCC rules. In light  
16 of the Eighth Circuit’s ruling, and consistent with the TRA’s Order in Docket  
17 No. 98-00123 (*In Re; Petition of Nextlink Tennessee, L.L.C. for Arbitration of*  
18 *Interconnection with BellSouth Telecommunications, Inc.*), BellSouth requests  
19 the Authority to rule that BellSouth is not required to combine UNEs.

20

21 Q. WHAT IS THE BASIS FOR BELL SOUTH’S POSITION?

22

23 A. As a general matter, it is neither sound public policy nor an obligation of  
24 BellSouth to combine UNEs. In the FCC’s Third Report and Order and Fourth  
25 Further Notice of Proposed Rulemaking, FCC 99-238, released November 5,

1 1999 (“UNE Remand Order”), the FCC confirmed that BellSouth presently has  
2 no obligation to combine network elements for CLECs when those elements  
3 are not currently combined in BellSouth’s network. The Eighth Circuit vacated  
4 the FCC rules, Section 51.315(c)-(f) that purported to require incumbent LECs  
5 to combine unbundled network elements, and those rules were neither appealed  
6 to, nor reinstated, by the Supreme Court. Also, as previously discussed, on  
7 July 18, 2000, the Eighth Circuit reaffirmed its ruling that FCC Rules  
8 51.315(c)-(f) are vacated.

9  
10 Q. HOW DID THE FCC ADDRESS BELL SOUTH’S OBLIGATION TO  
11 COMBINE UNES IN ITS UNE REMAND ORDER?

12  
13 A. The FCC concluded that BellSouth has no obligation to combine UNES. As  
14 the FCC made clear, Rule 51.315(b) applies to elements that are “in fact”  
15 combined, stating that “[t]o the extent an unbundled loop is in fact connected  
16 to unbundled dedicated transport, the statute and our rule 51.315(b) require the  
17 incumbent to provide such elements to requesting carriers in combined form.”  
18 (¶ 480) The FCC declined to adopt a definition of “currently combines,” as  
19 Sprint proposes in this case, that would include all elements “ordinarily  
20 combined” in the incumbent’s network. *Id.* (declining to “interpret rule  
21 51.315(b) as requiring incumbents to combine unbundled network elements  
22 that are ‘ordinarily combined’...” ) It is nonsensical to suggest that the FCC  
23 meant for its Rule 51.315(b) to cover anything other than specific pre-existing  
24 combinations of elements for a customer when the FCC’s orders specifically



1 state, and the Eighth Circuit has reaffirmed, that ILECs are not required to  
2 combine elements.

3

4 Q. WHY IS IT GENERALLY NOT IN THE PUBLIC INTEREST TO REQUIRE  
5 BELLSOUTH TO COMBINE UNEs?

6

7 A. First, requiring BellSouth to combine UNEs does not benefit consumers as a  
8 general matter, and would unnecessarily reduce the overall degree of  
9 competition in the market. Congress established several means to introduce  
10 competition, namely resale, unbundling and facilities constructed by new  
11 entrants. The requirements of the Act attempt to balance these three entry  
12 methods such that firms use the most efficient method. However, the greatest  
13 benefits occur when firms build their own facilities. Expanding BellSouth's  
14 obligations beyond the Act's requirements would upset the balance intended  
15 by the Act. This is not just BellSouth's view – Justice Breyer of the Supreme  
16 Court agrees. As Justice Breyer points out in his opinion concurring in the  
17 Supreme Court's vacating of the FCC's unbundling rules:

18 *[i]ncreased sharing (unbundling) by itself does not automatically mean*  
19 *increased competition. It is in the unshared, not in the shared, portions*  
20 *of the enterprise that meaningful competition would likely emerge.*  
21 *Rules that force every firm to share every resource or element of a*  
22 *business would create, not competition, but pervasive regulation, for*  
23 *the regulators, not the marketplace, would set the relevant terms.*

24

1           *The upshot, in my view, is that the statute's unbundling requirements,*  
2           *read in light of the Act's basic purposes, require balance. Regulatory*  
3           *rules that go too far, expanding the definition of what must be shared*  
4           *beyond that which is essential to that which merely proves*  
5           *advantageous to a single competitor, risk costs that, in terms of the*  
6           *Act's objectives, may make the game not worth the candle. (142 L. Ed.*  
7           *2d 834, 880)*

8  
9           Second, requiring BellSouth to combine UNEs at cost-based prices,  
10          particularly TELRIC-based prices, reduces BellSouth's incentive to invest in  
11          new capabilities. TELRIC-based prices do not cover the actual cost of the  
12          elements, let alone do such prices represent a fair price in the market place.  
13          Again, Justice Breyer agrees, as evidenced by his observation:

14               *[n]or can one guarantee that firms will undertake the investment*  
15               *necessary to produce complex technological innovations knowing that*  
16               *any competitive advantage deriving from those innovations will be*  
17               *dissipated by the sharing requirement. The more complex the facilities,*  
18               *the more central their relation to the firm's managerial responsibilities,*  
19               *the more extensive the sharing demanded, the more likely these costs*  
20               *will become serious. (142 L. Ed. 2d 834, 879)*

21  
22          Finally, requiring BellSouth to combine elements where such combinations do  
23          not, in fact, exist is inconsistent with the Act's basic purpose, which is to  
24          introduce competition into the local telecommunications market. The intent  
25          was not to subsidize competitors, particularly where CLECs have reasonable

1 alternatives to BellSouth combining UNEs. CLECs can combine the UNEs  
2 themselves in collocation spaces, use the assembly room option, use the  
3 assembly point option, or build their own facilities. Even utilizing collocation  
4 to combine UNEs, the cost to the CLEC is just a few cents a month per  
5 combination. This view is also supported in Justice Breyer's opinion:

6 *[i]n particular, I believe that, given the Act's basic purpose, it requires*  
7 *a convincing explanation of why facilities should be shared (or*  
8 *'unbundled') where a new entrant could compete effectively without the*  
9 *facility, or where practical alternatives to that facility are available.*  
10 *(142 L. Ed. 2d 834, 879)*

11  
12 Clearly, expanding BellSouth's obligation to include combining UNEs does  
13 not benefit consumers. Such action only provides an unwarranted subsidy to  
14 CLECs, disincentivizes BellSouth to invest in its network, and discourages CLECs  
15 from building their own networks.

16  
17 Q. CAN SPRINT STILL COMPETE VIGOROUSLY FOR LOCAL SERVICE  
18 WITHOUT HAVING BELL SOUTH COMBINE UNES AT COST-BASED  
19 PRICES?

20  
21 A. It certainly can. Today there are approximately 3 million lines provided by  
22 BellSouth in service, in Tennessee today. Each of those lines consists of  
23 existing combined facilities that Sprint can, in fact, purchase today from  
24 BellSouth at cost-based rates. In addition, Sprint has several means other than  
25 having BellSouth combine UNEs to serve both new and existing customers.

1 Any argument that Sprint cannot compete because BellSouth will not combine  
2 UNEs just does not make sense.

3

4 Q. HAS THE TRA PREVIOUSLY RULED ON THE GENERAL ISSUE OF  
5 UNE COMBINATIONS?

6

7 A. Yes. The Order in the Nextlink Arbitration proceeding states:

8 *The Arbitrators recognize that under the Eighth Circuit decision,*  
9 *incumbent LECs are not required to combine unbundled network*  
10 *elements for CLECs. . .*

11 The ordering clause for issues 4(d), (e) and (f) states:

12 *. . .to the extent BellSouth is willing to combine network elements. . .*  
13 *with the combinations and charges not being subject to the*  
14 *requirements of the 1996 Act.*

15

16 Q. WHAT IS BELL SOUTH REQUESTING THE TRA TO RULE WITH  
17 RESPECT TO ISSUE NO. 4?

18

19 A. BellSouth respectfully requests that the TRA find, based on the above rulings,  
20 that BellSouth is not required to combine unbundled networks for Sprint at  
21 TELRIC prices.

22

23 ***Issue No. 6: Should BellSouth be required to universally provide access to EELs***  
24 ***that it ordinarily and typically combines in its network at UNE rates?***

25

1 Q. WHAT DOES BELL SOUTH UNDERSTAND THIS ISSUE TO BE?

2

3 A. BellSouth understands that Sprint is requesting that BellSouth be required to  
4 provide, at UNE rates, Extended Enhanced Loops ("EELs"), whether or not the  
5 specific UNEs have already been combined for the specific end-user customer  
6 in question at the time Sprint places its order?

7

8 Q. SHOULD BELL SOUTH BE REQUIRED TO PROVIDE SUCH UNEs?

9

10 A. No. The EEL is not a mandatory UNE, and therefore, BellSouth should not be  
11 required to provide it at UNE rates. In addition, in order to provide the EEL,  
12 BellSouth would have to combine the loop and dedicated transport for the  
13 CLEC, and BellSouth is not required to do that.

14

15 Q. HAS THE TRA SPECIFICALLY ADDRESSED THE PROVISION OF  
16 EELs?

17

18 A. Yes. The TRA addressed this issue in the orders in Docket No. 99-00377 (*In*  
19 *Re: Petition by ICG Telecom Group, Inc. for Arbitration of an Interconnection*  
20 *Agreement with BellSouth Telecommunications, Inc. Pursuant to 252(b) of the*  
21 *Telecommunications Act of 1996*) and Docket No. 99-00430 (*In Re: Petition*  
22 *for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth*  
23 *Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996*).  
24 In these orders, dated August 4, 2000 and August 11, 2000 respectively, the  
25 Arbitrators determined that BellSouth is required to offer, to ICG and

1 ITC^DeltaCom, EELs consisting of combinations of unbundled local loops  
2 that are cross-connected to interoffice transports.

3

4 BellSouth respectfully disagrees with this TRA decision, based on both the  
5 FCC and Eighth Circuit rulings, and reserves its rights to pursue judicial  
6 review on this issue.

7

8 *Issue No. 7: In situations where a CLEC's end-user customer is served via*  
9 *unbundled switching and is located in density zone 1 in one of the top fifty*  
10 *Metropolitan Statistical Areas ('MSAs'), and who currently has three lines or less,*  
11 *adds additional lines, should BellSouth be able to charge market-based rates for all*  
12 *of the customer's lines?*

13

14 Q. WHAT IS THE FCC RULE THAT IS RELEVANT TO THE DISPUTE?

15

16 A. The relevant FCC Rule is 51.319(c)(2), which states:

17 (2) *Notwithstanding the incumbent LEC's general duty to unbundle local*  
18 *circuit switching, an incumbent LEC shall not be required to unbundle*  
19 *local circuit switching for requesting telecommunications carriers*  
20 *when the requesting telecommunications carrier serves end-users with*  
21 *four or more voice grade (DS0) equivalents or lines, provided that the*  
22 *incumbent LEC provides non-discriminatory access to combinations of*  
23 *unbundled loops and transport (also known as the "Enhanced*  
24 *Extended Link") throughout Density Zone 1, and the incumbent LEC's*  
25 *local circuit switches are located in:*

- 1 (i) *The top 50 Metropolitan Statistical Areas as set forth in*  
2 *Appendix B of the Third Report and Order and Fourth*  
3 *Further Notice of Proposed Rulemaking in CC Docket No.*  
4 *96-98, and* .  
5 (ii) *In Density Zone 1, as defined in § 69.123 of this chapter on*  
6 *January 1, 1999. (emphasis added)*  
7

8 Q. WHAT WAS THE FCC'S RATIONALE FOR THE FOUR OR MORE  
9 LINES CRITERIA IN RULE 51.319(c)(2)?  
10

11 A. The FCC used the four-line cutoff to distinguish between the mass market and  
12 the medium to large business market. As long as the other criteria of Rule  
13 51.319(c)(2) were met, the FCC determined that competitors were not  
14 impaired in their ability to serve medium to large business customers. The  
15 following portions of the UNE Remand Order demonstrate the FCC's  
16 rationale:

17 *We recognize that a rule that removes unbundling obligations based on*  
18 *line count will be marginally overinclusive or underinclusive given*  
19 *individual factual circumstances. We find, however, that in our expert*  
20 *judgment, a rule that distinguishes customers with four lines or more*  
21 *from those with three lines or less reasonably captures the division*  
22 *between the mass market – where competition is nascent – and the*  
23 *medium and large business market – where competition is beginning to*  
24 *broaden.* ¶ 294  
25

1                   *In contrast, marketplace developments suggest that competitors are not*  
2                   *impaired in their ability to serve certain high-volume customers in the*  
3                   *densest areas. ¶ 297*

4  
5           The FCC's logic here appears to be that the biggest part of the consumer  
6           market involves customers who have three or fewer lines. By the time a  
7           customer has 4 or more lines, the customer is either a mid-sized or a large  
8           customer, and CLECs are not impaired if they do not have access to unbundled  
9           switching to address the telecommunications needs of these customers.  
10          Nowhere in the rule, nor in the rationale supporting it, does the FCC suggest  
11          that the incumbent LEC still has an obligation to unbundle local circuit  
12          switching for a portion of a medium to large business customer's lines, or for  
13          additional lines if the customer starts out with three lines or fewer.

14  
15   Q.     WHAT DOES THE PROVISION OF EELS HAVE TO DO WITH THIS  
16           ISSUE?

17  
18   A.     Basically, the thought is that if the incumbent LEC is willing to provide an  
19           EEL, the CLEC can haul the call anywhere in the area to the CLEC's switch.  
20           The FCC obviously concluded that, at least in the top 50 MSAs, switching is  
21           available from a number of sources. As long as the incumbent LEC allows the  
22           CLEC to have an EEL so that the end user can be connected to a CLEC's  
23           switch, it is not necessary for the incumbent LEC to unbundle local switching.

24  
25   Q.     WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?



1

2     A.     BellSouth believes that the FCC's position is quite clear. Even if it were not,  
3             simple logic will lead to the conclusion that when a specific customer has four  
4             or more lines, whether they were purchased all at once or gradually over time,  
5             BellSouth does not have to provide unbundled local switching as long as the  
6             other criteria for Rule 51.319(c)(2) are met.

7

8     Q.     WHAT IS SPRINT'S POSITION?

9

10    A.     As I understand it, the dispute involves the fact that Sprint is apparently trying  
11             to rewrite the FCC's rules regarding the exemption for unbundling local circuit  
12             switching. BellSouth, in certain geographic areas, is not required to unbundle  
13             local switching for customers having four or more lines. Sprint asserts that  
14             even in such areas, BellSouth should not be allowed to change rates (charge  
15             market-based rates because unbundled switching is no longer required) for  
16             existing customers that have three or fewer lines and add additional lines.

17

18    Q.     WHAT DOES BELL SOUTH REQUEST OF THE AUTHORITY?

19

20    A.     BellSouth requests the Authority to reject Sprint's position. CLECs are not  
21             impaired without access to unbundled local switching when serving customers  
22             with four or more lines in Density Zone 1 in the top 50 MSAs. Consequently,  
23             CLECs are not entitled to unbundled switching in these areas for any of an end  
24             user's lines when the end user has four or more lines in the relevant geographic  
25             area, as long as BellSouth will provide the CLEC with EELs.

1  
2           ***Issue No.8: Should BellSouth be able to designate the network Point of***  
3           ***Interconnection ('POI') for delivery of BellSouth-originated local traffic?***  
4

5   Q.     IN ESSENCE, WHAT IS THE NATURE OF THE DISPUTE BETWEEN  
6           THE PARTIES ON THIS ISSUE?  
7

8   A.     This issue really is pretty simple. BellSouth has a local network in each of the  
9           local calling areas it serves in Tennessee. BellSouth may have 10 or more such  
10          local networks in a given LATA. Nevertheless, Sprint wants to physically  
11          interconnect its network with BellSouth's "network" in each LATA at a single  
12          point. This approach simply ignores that there is not one "network" but a host  
13          of networks that are generally all interconnected. Importantly, BellSouth does  
14          not object to Sprint designating a single Point of Interconnection ("POI") at a  
15          point in a LATA on one of BellSouth's "networks", for traffic that Sprint's end  
16          users originate. Further, BellSouth does not object to Sprint using the  
17          interconnecting facilities between BellSouth's "networks" to have local calls  
18          delivered or collected throughout the LATA. What BellSouth does want, and  
19          this is the real issue, is for Sprint to be financially responsible when it uses  
20          BellSouth's network in lieu of building its own network to deliver or collect  
21          these local calls.  
22

23          Sprint, to contrast its position with BellSouth's, expects BellSouth to collect its  
24          local traffic in each of BellSouth's numerous local calling areas in the LATA,  
25          and Sprint expects BellSouth to be financially responsible for delivering, to a

1 single point in each LATA, local calls destined for Sprint local customers in  
2 the same local calling area where the call originated. BellSouth agrees that  
3 Sprint can choose to interconnect with BellSouth's network at any technically  
4 feasible point in the LATA. BellSouth, however, does not agree that Sprint  
5 can impose a financial burden upon BellSouth to deliver BellSouth's  
6 originating local traffic to that single point. If Sprint wants local calls  
7 completed between BellSouth's customers and Sprint's customers using this  
8 single Point of Interconnection, that is fine, provided that Sprint is financially  
9 responsible for the additional costs that Sprint causes.

10

11 Q. DOES BELLSOUTH'S POSITION MEAN THAT SPRINT HAS TO BUILD  
12 A NETWORK TO EVERY LOCAL CALLING AREA, OR OTHERWISE  
13 HAVE A POINT OF INTERCONNECTION WITH BELLSOUTH'S LOCAL  
14 NETWORK IN EVERY LOCAL CALLING AREA?

15

16 A. No. Sprint can build out its network that way if it chooses, but it is not required  
17 to do so. Sprint can lease facilities from BellSouth or any other provider to  
18 bridge the gap between its network (that is, where it designates its POI) and  
19 each BellSouth local calling area. BellSouth will be financially responsible for  
20 transporting BellSouth's originating traffic to a single point in each local  
21 calling area. BellSouth, however, is not obligated to haul Sprint's local traffic  
22 to a distant point dictated by Sprint.

23

24 Q. WHAT IS A POINT OF INTERCONNECTION?

25

1 A. The term “Point of Interconnection” describes the point(s) where the BellSouth  
2 and Sprint networks physically connect. In its First Report and Order, at  
3 paragraph 176, the FCC defined the term “interconnection” by stating that:

4 *We conclude that the term “interconnection” under section 251(c)(2)*  
5 *refers only to the physical linking of two networks for the mutual*  
6 *exchange of traffic.*

7 Therefore, the term POI is simply the place, or places, on BellSouth’s network  
8 where that physical linking of the Sprint and BellSouth networks takes place.  
9 Simply speaking, the POI is the place where facilities that Sprint builds (or  
10 leases) connect to facilities built by BellSouth.

11

12 On the other hand, the term “virtual point of interconnection” (“VPOI”) is used  
13 by Sprint and BellSouth to define the place where financial responsibility for a  
14 call changes from one carrier to the other. The POI and the VPOI can be at the  
15 exact same physical point, or they can be at different points.

16

17 Q. IF SPRINT CAN INTERCONNECT WITH BELLSOUTH’S NETWORK AT  
18 ANY TECHNICALLY FEASIBLE POINT, WHY IS THERE AN ISSUE?

19

20 A. Recall that what we are talking about is interconnection with “local networks”.  
21 Sprint’s network deployment is significantly different from BellSouth’s and  
22 that is the main reason that this issue exists between the parties. BellSouth has  
23 a number of distinct networks. For example, BellSouth has local networks,  
24 long distance networks, packet networks, signaling networks, E911 networks,  
25 etc. Each of these networks is designed to provide a particular service or group

1 of services. With regard to “local networks,” BellSouth, in any given LATA,  
2 has several such local networks, usually interconnected by BellSouth’s long  
3 distance network.

4  
5 For example, in the Nashville LATA, BellSouth has local networks in  
6 Nashville, Columbia, and Clarksville, as well as several other locations.  
7 Customers who want local service in a particular local calling area must be  
8 connected to the local network that serves that local calling area. For instance,  
9 a customer that connects to the Nashville local network will not receive local  
10 service in the Columbia local calling area because Columbia is not in the  
11 Nashville local calling area. Likewise, a CLEC that wants to connect with  
12 BellSouth to provide local service in Columbia has to connect to BellSouth’s  
13 local network that serves the Columbia local calling area. BellSouth’s local  
14 calling areas, I would add, have been defined and set out over the years either  
15 by this Authority, or by its predecessor the Tennessee Public Service  
16 Commission.

17  
18 When Sprint has a single switch in a LATA, then, by definition, that switch is  
19 located in a single BellSouth local calling area, for example, the Nashville  
20 local calling area, if that is where the switch is located. When a BellSouth  
21 local customer in Nashville wants to call a Sprint customer in Nashville,  
22 BellSouth delivers the call to the appropriate point of interconnection between  
23 BellSouth’s network and Sprint’s network in Nashville. BellSouth would be  
24 financially responsible for taking a call from one of its subscribers located in  
25 the Nashville local calling area and delivering it to another point in the

1 Nashville local calling area, the Sprint Point of Interconnection. This scenario  
2 is not a problem.

3

4 The problem arises when a BellSouth customer located in a distant local  
5 calling area from Sprint's POI wants to call his next-door neighbor, who  
6 happens to be a Sprint local subscriber. To illustrate this point, assume that a  
7 BellSouth customer in Columbia that wants to call a Sprint customer in  
8 Columbia picks up his telephone and draws dial tone from BellSouth's  
9 Columbia switch. The BellSouth customer then dials the Sprint customer. The  
10 call has to be routed from Columbia to Sprint's POI in the Nashville LATA,  
11 which, in my example, is in Nashville. Sprint then carries the call to its switch  
12 in Nashville and connects to the long loop serving Sprint's customer in  
13 Columbia. The issue here involves who is financially responsible for the  
14 facilities that are used to haul local calls back and forth between Sprint's POI  
15 in Nashville and BellSouth's Columbia local calling area.

16

17 Q. HOW WOULD SPRINT CONNECT TO BELL SOUTH'S LOCAL  
18 NETWORKS THAT ARE OUTSIDE THE LOCAL CALLING AREA  
19 WHERE SPRINT'S SWITCH IS LOCATED?

20

21 A. It is my understanding that Sprint has agreed to establish at least one POI in  
22 each LATA. This is necessary because BellSouth is not authorized to carry  
23 traffic across LATA boundaries. Sprint would build facilities from its switch  
24 (wherever that is located) to the POI in the LATA where the BellSouth local  
25 network is located. Once that POI is established, the issue remains the same.

1 Who is financially responsible for the facilities needed to carry calls between  
2 that POI and the distant BellSouth local calling area in which a local call is to  
3 be originated and terminated? Since Sprint must establish a POI in each  
4 LATA, whether or not Sprint also has a switch in each LATA is not relevant to  
5 resolving the problem that Sprint's network design has created.  
6

7 Q. WHY DO YOU SAY THAT SPRINT MUST BE FINANCIALLY  
8 RESPONSIBLE FOR THE TRANSPORT OF THESE CALLS FROM  
9 LOCAL CALLING AREAS THAT ARE DISTANT FROM THE POINT  
10 WHERE SPRINT HAS CHOSEN TO INTERCONNECT ITS NETWORK  
11 WITH BELL SOUTH'S?  
12

13 A. First, that is the only approach that makes economic sense. I will explain the  
14 rationale for that statement later. Second, the Eighth Circuit Court of Appeals  
15 determined that the ILEC is only required to permit a CLEC to interconnect  
16 with the ILEC's existing local network, stating that:

17 *The Act requires an ILEC to (1) permit requesting new entrants*  
18 *(competitors) in the ILEC's local market to interconnect with the*  
19 *ILEC's existing local network and, thereby, use that network to*  
20 *compete in providing local telephone service (interconnection)....*  
21 *(Eighth Circuit Court Order dated July 18, 2000, page 2) [Emphasis*  
22 *added.]*

23 This is a very important point. When Sprint interconnects with BellSouth's  
24 local network in Nashville, it is not also interconnecting with BellSouth's local  
25 network in Columbia. Sprint is only interconnecting with the Nashville local

1 network. The fact that Sprint is entitled to physically interconnect with  
2 BellSouth at a single point cannot overcome the fact that the single POI  
3 cannot, by itself, constitute interconnection with every single local calling area  
4 in the LATA.

5  
6 Moreover, if that were true-that a single POI constitutes interconnection with  
7 every local calling area in the LATA, think of the implications. What happens  
8 when BellSouth gets into the long distance business in Tennessee and the  
9 LATA restrictions no longer exist? Sprint's theory would mean that Sprint  
10 could have a physical POI with BellSouth's "network" in Nashville, and  
11 BellSouth would be required to haul local calls originating in Chattanooga, and  
12 destined to terminate in Chattanooga, all the way to Nashville, at no cost to  
13 Sprint. That just does not make sense. Again, Sprint can build whatever  
14 network it wants. It can interconnect with BellSouth's "network" wherever it  
15 is technically feasible. However, Sprint cannot shift the financial burden of its  
16 network design to BellSouth.

17  
18 Q. CAN YOU ILLUSTRATE WITH AN EXAMPLE WHY YOU SAY SPRINT  
19 IS ATTEMPTING TO SHIFT ITS FINANCIAL RESPONSIBILITY TO  
20 BELL SOUTH AND THAT BELL SOUTH IS INCURRING COSTS ON  
21 BEHALF OF SPRINT?

22  
23 A. Yes. Sprint's network design results in additional costs that Sprint  
24 inappropriately contends BellSouth should bear. The best way to describe  
25 these additional costs is to compare examples of two local calls in the same



1 local calling area. One local call is between two BellSouth customers. The  
2 other local call is between a BellSouth customer and a Sprint customer.  
3 Assume that all of the customers in this example live on the same street in  
4 Columbia.  
5  
6 First, let's examine what happens if both customers were served by BellSouth.  
7 When one neighbor calls the other, the call originates with one customer, and  
8 is transported over that customer's local loop to a local switch in Columbia,  
9 where the call is connected to the other customer's local loop. Importantly, the  
10 call never leaves the Columbia local calling area. Therefore, the only cost  
11 BellSouth incurs for transporting and terminating that call is end office  
12 switching in Columbia.  
13  
14 Now, let's compare what happens when one customer obtains its local service  
15 from BellSouth, and the other customer obtains local service from Sprint.  
16 Assume that the BellSouth customer calls the Sprint customer next door. The  
17 BellSouth customer is connected to BellSouth's switch in Columbia. The  
18 BellSouth switch then sends the call to Nashville, because that is where Sprint  
19 told BellSouth to send the call. The call is then hauled over facilities owned by  
20 Sprint from the Nashville POI to Sprint's switch. Sprint then connects the call  
21 through its end office switch to the long loop serving Sprint's end user  
22 customer back in Columbia. Again, these two customers live next door to each  
23 other. In one case the call never left the Columbia local calling area. In the  
24 other, BellSouth hauled the call all the way to Nashville and the only reason  
25 that BellSouth did so was because that is what Sprint wanted.

1  
2 To make the point more simply, Sprint wants BellSouth to bear the cost of the  
3 facilities used to haul the call I just described between Columbia and  
4 Nashville. There is nothing fair, equitable or reasonable about Sprint's  
5 position. Because Sprint has designed its network the way it wants, and has  
6 designed its network in the way that, allegedly, is most efficient and cheapest  
7 for Sprint, Sprint must bear the financial responsibility for the additional  
8 facilities used to haul the call between Columbia and Nashville. Sprint does  
9 not have to build the facilities. It does not have to own the facilities. It just  
10 has to pay for them. BellSouth objects to paying additional costs that are  
11 incurred solely due to Sprint's network design. It is simply inappropriate for  
12 Sprint to attempt to shift these costs to BellSouth.

13  
14 Q. DO BELLSOUTH'S LOCAL EXCHANGE RATES COVER THESE  
15 ADDITIONAL COSTS?

16  
17 A. No. BellSouth, in theory at least, is compensated by the local exchange rates  
18 charged to BellSouth's local customers for hauling local calls from one point  
19 within a specific local calling area to another point in that same local calling  
20 area. I say "in theory" because, as the Authority knows, there has always been  
21 a dispute about whether local exchange rates actually cover the costs of  
22 handling local calls. Certainly there can be no dispute that the local exchange  
23 rates that BellSouth's customers pay are not intended to cover and, indeed, do  
24 not cover, the cost of hauling a local call from one Columbia customer to  
25 another Columbia customer by way of Nashville.

1  
2 Indeed, if Sprint is not required to pay for that extra transport which Sprint's  
3 network design decisions cause, who will pay for it? The BellSouth calling  
4 party is already paying for its local exchange service, and certainly will not  
5 agree to pay more, simply for Sprint's convenience. Who does that leave to  
6 cover this cost? The answer is that there is no one else, and because Sprint has  
7 caused this cost through its own decisions regarding the design of its network,  
8 it should be required to pay the additional cost.  
9

10 Q. DOES BELLSOUTH RECOVER ITS COSTS FOR HAULING LOCAL  
11 CALLS OUTSIDE THE LOCAL CALLING AREA THROUGH  
12 RECIPROCAL COMPENSATION CHARGES?  
13

14 A. No. This is also a significant point. The facilities discussed in this issue  
15 provide interconnection between the parties' networks. The cost of  
16 interconnection facilities is not covered in the reciprocal compensation charges  
17 for transport and termination. Paragraph 176 of FCC Order No. 96-325 clearly  
18 states that interconnection does not include transport and termination:

19 *Including the transport and termination of traffic within the meaning of*  
20 *section 251(c)(2) would result in reading out of the statute the duty of*  
21 *all LECs to establish 'reciprocal compensation arrangements for the*  
22 *transport and termination of telecommunications' under section*  
23 *251(b)(5).*

24 Simply put, the cost of interconnection is to be recovered through  
25 interconnection charges and the cost of transport and termination is to be

1        recovered separately through reciprocal compensation. Reciprocal  
2        compensation charges apply only to facilities used for transporting and  
3        terminating local traffic on the local network, not for interconnection of the  
4        parties' networks.

5  
6        In the Columbia example, reciprocal compensation would only apply for the  
7        use of BellSouth's facilities within the Columbia local calling area. That is,  
8        reciprocal compensation would apply to the facilities BellSouth uses within its  
9        Columbia local network to transport and switch a Sprint originated call.  
10       Reciprocal compensation does not include the facilities to haul the traffic from  
11       Columbia to Nashville. In the illustrations I have been using, BellSouth's  
12       customer originates the call. BellSouth does not receive reciprocal  
13       compensation for calls that originate from a BellSouth customer and terminate  
14       to a Sprint customer. Ultimately, however, what Sprint is requesting is for  
15       BellSouth to provide facilities, at no cost, for calls in both directions between  
16       the distant exchanges.

17  
18    Q.    IS THE ARRANGEMENT THAT SPRINT IS PROPOSING EFFICIENT?

19  
20    A.    I do not see how it can be. Sprint seems to equate efficiency with what is  
21        cheapest for Sprint. Of course, that is not an appropriate measure of  
22        efficiency. Indeed, to measure efficiency, the cost to each carrier involved  
23        must be considered. Presumably, Sprint has chosen its particular network  
24        arrangement because it is cheaper for Sprint. A principal reason that it is  
25        cheaper is because Sprint is expecting BellSouth's customers to bear

1 substantially increased costs that Sprint causes by its network design. It  
2 simply makes no sense for BellSouth to bear the cost of hauling a local  
3 Columbia call outside the local calling area just because that is what Sprint  
4 wants us to do. Sprint, however, wants this Authority to require BellSouth to  
5 do just that. If Sprint bought these facilities from anyone else, Sprint would  
6 pay for the facilities. Sprint, however, does not want to pay BellSouth for the  
7 same capability.

8  
9 Sprint's method of transporting local traffic is clearly more costly to  
10 BellSouth, but Sprint blithely ignores the additional costs it wants BellSouth to  
11 bear. Of course, these increased costs will ultimately be borne by customers,  
12 and if Sprint has its way, these costs will be borne by BellSouth's customers.  
13 Competition should reduce costs to customers, not increase them. Competition  
14 certainly is not an excuse for enabling a carrier to pass increased costs that it  
15 causes to customers it does not even serve. BellSouth requests that the  
16 Authority require Sprint to bear the cost of hauling local calls outside  
17 BellSouth's local calling areas. Importantly, Sprint should not be permitted to  
18 avoid this cost, nor should Sprint be permitted to collect reciprocal  
19 compensation for facilities that haul local traffic outside of the local calling  
20 area.

21  
22 Q. HOW HAS THE FCC ADDRESSED THE ADDITIONAL COSTS CAUSED  
23 BY THE FORM OF INTERCONNECTION A CLEC CHOOSES?  
24

1     A.     In its First Report and Order in Docket No. 96-98, the FCC states that the  
2           CLEC must bear the additional costs caused by a CLEC's chosen form of  
3           interconnection. Paragraph 199 of the Order states that "a requesting carrier  
4           that wishes a 'technically feasible' but expensive interconnection would,  
5           pursuant to section 252(d)(1), be required to bear the cost of the that  
6           interconnection, including a reasonable profit." Further, at paragraph 209, the  
7           FCC states that "Section 251(c)(2) lowers barriers to competitive entry for  
8           carriers that have not deployed ubiquitous networks by permitting them to  
9           select the points in an incumbent LEC's network at which they wish to deliver  
10          traffic. Moreover, because competing carriers must usually compensate  
11          incumbent LECs for the additional costs incurred by providing  
12          interconnection, competitors have an incentive to make economically efficient  
13          decisions about where to interconnect." (Emphasis added.)

14  
15          Clearly, the FCC expects Sprint to pay the additional costs that it causes  
16          BellSouth to incur. If Sprint is permitted to shift its costs to BellSouth, Sprint  
17          has no incentive to make economically efficient decisions about where to  
18          interconnect.

19  
20     Q.     HOW DOES BELL SOUTH PROPOSE TO DELIVER ITS ORIGINATING  
21           LOCAL TRAFFIC TO SPRINT?

22  
23     A.     For ease of explanation, BellSouth proposes to aggregate all of its end user  
24           customers' originating local traffic to a single location in a local calling area  
25           where such traffic will be delivered to Sprint. In the case of Columbia,

1 BellSouth would transport the local traffic originated by all BellSouth  
2 customers in the Columbia local calling area to a single location in that calling  
3 area. This single location, where BellSouth aggregates its customers' local  
4 traffic, is not a Point of Interconnection as defined by the FCC. BellSouth,  
5 therefore, is using the term Virtual Point of Interconnection to describe this  
6 central location. Sprint can then pick up all local traffic originated by  
7 BellSouth customers in the Columbia local calling area at a single location,  
8 rather than having to pick up the traffic at each individual office.

9  
10 Sprint, however, is not required to pick up the traffic at the central point  
11 designated by BellSouth. Indeed, if Sprint chooses to do so, it can pick up the  
12 traffic at each individual end office instead of at the VPOI designated by  
13 BellSouth. That is Sprint's choice. Again, Sprint can pick up this traffic  
14 wherever it wants, as long as it is financially responsible for doing so.

15  
16 Q. PLEASE EXPLAIN IN MORE DETAIL WHAT YOU ARE REFERRING  
17 TO AS A VIRTUAL POINT OF INTERCONNECTION.

18  
19 A. The VPOI is the Point of Interconnection specified by BellSouth for delivery  
20 of BellSouth originated traffic to Sprint. Sprint would pay BellSouth the  
21 TELRIC rates for Dedicated Interoffice Transport and associated multiplexing,  
22 as set forth in the Interconnection Agreement, for BellSouth to transport local  
23 traffic and Internet traffic over BellSouth facilities from the VPOI to the POI  
24 designated by Sprint.

25

1 Q. WOULD SPRINT'S ABILITY TO COMPETE BE HAMPERED BY  
2 SPRINT'S INABILITY TO OBTAIN FREE FACILITIES FROM  
3 BELL SOUTH?  
4

5 A. Absolutely not. First, Sprint does not have to build or purchase  
6 interconnection facilities to areas that Sprint does not plan to serve. If Sprint  
7 does not intend to serve any customers in a particular area, its ability to  
8 compete cannot be hampered.  
9

10 Second, in areas where Sprint does intend to serve customers, BellSouth is not  
11 requiring Sprint to build facilities throughout the area. Sprint can build  
12 facilities to a single point in each LATA and then purchase whatever facilities  
13 it needs from BellSouth or from another carrier in order to reach individual  
14 local calling areas that Sprint wants to serve.  
15

16 Q. WHAT IS BELL SOUTH ASKING THIS AUTHORITY TO DO WITH  
17 REGARD TO ISSUE NO. 8?  
18

19 A. BellSouth requests this Authority to find that Sprint is required to bear the cost  
20 of facilities that BellSouth may be required to install, on Sprint's behalf, in  
21 order to connect from a BellSouth local calling area to Sprint's POI located  
22 outside that local calling area. I believe this to be an equitable arrangement for  
23 both parties.



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***Issue No. 9: (a) Should the parties' Agreement contain language providing Sprint with the ability to transport multi-jurisdictional traffic over a single trunk groups, including an access trunk group?***

***(b) Should Sprint local calls that are routed over access trunks using a zero-zero-minus (00-) dialing pattern be classified as local calls?***

- Q. PLEASE EXPLAIN BELL SOUTH'S UNDERSTANDING OF THE (a) PORTION OF THIS ISSUE.
- A. Sprint is asking that BellSouth, in lieu of establishing a reciprocal trunk group in some central offices, place all originating and/or terminating traffic, local or non-local, over direct end office switched access Feature Group D trunks.
- Q. DOES SPRINT'S REQUEST APPEAR TO BE TECHNICALLY FEASIBLE?
- A. BellSouth has determined that Sprint's request appears to be technically feasible, but not without cost. BellSouth has also determined that existing access service arrangements do not permit Sprint to receive the service it has requested.
- Q. IF SPRINT'S REQUEST IS TECHNICALLY FEASIBLE, WHAT IS THE ISSUE?

1 A. The issue being negotiated at this time is the cost of Sprint's request. If this  
2 Authority determines that BellSouth must offer the service, Sprint should bear  
3 the cost of implementing what it is requesting.  
4

5 Q. WHAT IS BELL SOUTH REQUESTING OF THE AUTHORITY ON ISSUE  
6 NO. 9 (a)?  
7

8 A. BellSouth asks that the Authority approve BellSouth's proposed language on  
9 this issue, requiring Sprint to bear the costs necessary to provide for what they  
10 are asking.  
11

12 Q. PLEASE BRIEFLY EXPLAIN BELL SOUTH'S UNDERSTANDING OF  
13 ISSUE 9 (b).  
14

15 A. Sprint is asking for all 00- calls destined to Sprint to be routed by BellSouth  
16 over switched access trunks, and for BellSouth to recognize, for reciprocal  
17 compensation purposes, that a portion of the traffic over those trunks is  
18 actually local traffic.  
19

20 Q. PLEASE COMMENT ON SPRINT'S REQUEST THAT NOT ALL  
21 OPERATOR SERVICE TRAFFIC (00-) ROUTED OVER ACCESS  
22 TRUNKS BE CLASSIFIED AS ACCESS TRAFFIC.  
23

24 A. Operator Service (00-) traffic is a standard, accepted and well understood  
25 dialing pattern that switches traffic to Sprint, the interexchange carrier

1 ("IXC"), for its use in providing operator services. Traffic using this dialing  
2 pattern is completed to the IXC over switched access facilities and is billed at  
3 switched access rates. Currently, when BellSouth end users who are  
4 presubscribed to Sprint the IXC for long distance service dial 00-, the call is  
5 sent forward to Sprint the IXC's switched access Feature Group D ("FGD")  
6 trunks. However, Sprint is now requesting that BellSouth allocate the billing  
7 for the 00- generated minutes between switched access and local, because  
8 Sprint apparently intends to use 00- for conventional long distance operator  
9 services, as well as for various "local" services through 00- access.  
10

11 Q. DOES BELLSOUTH KNOW WHAT LOCAL SERVICE OFFERINGS  
12 SPRINT INTENDS TO OFFER THROUGH THIS 00- ACCESS?  
13

14 A. Although not certain of all Sprint's plans for this service arrangement,  
15 BellSouth understands that Sprint is considering using this as a voice mail  
16 platform for both wireline and wireless customers.  
17

18 Q. WHY IS BELLSOUTH CONCERNED ABOUT SPRINT'S PROPOSAL?  
19

20 A. BellSouth has two major concerns about what Sprint is asking. The first  
21 concern is that Sprint's requested arrangement will result in arguments as to  
22 whether a given 00- call is local or interstate in nature. For example, Sprint  
23 could assert that the call is terminated once its operator answers the call even  
24 though the operator forwards the call on to some other destination for  
25 completion.

1  
2 Second, and causing much greater concern is this: 00- access is offered only as  
3 a dialing arrangement under Feature Group D access. It allows a customer to  
4 reach the operator of the carrier to which the customer is presubscribed. It was  
5 not intended to be used in the manner that Sprint is requesting. The prices for  
6 local interconnection that Sprint is requesting in its proposal are available only  
7 to those carriers who are a customer's local service provider or who provide a  
8 significant amount of local exchange service in addition to exchange access  
9 service. The public policy reason for this is to encourage local competition.  
10

11 Here again, Sprint is not contending that it plans to provide local exchange  
12 service, it just wants the lower prices, as well as reciprocal compensation  
13 revenues, despite the fact that it is not performing the functions that the lower  
14 prices are meant to encourage. If Sprint, indeed, is planning to offer a voice-  
15 mail platform with its proposed arrangement, in essence, it is trying to increase  
16 voice-mail competition-not local competition-and is asking BellSouth to help  
17 pay for it. For these reasons, BellSouth urges the Authority to deny Sprint's  
18 request, with regard to Issue 9 (b).  
19

20 ***Issue No. 10: Should Internet Service Provider ('ISP')- bound traffic be treated as***  
21 ***local traffic for the purposes of reciprocal compensation in the new***  
22 ***Sprint/BellSouth interconnection Agreement, or should it be otherwise***  
23 ***compensated?***  
24

25 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

1  
2 A. BellSouth's position on this issue is that ISP-bound traffic is not local traffic  
3 eligible for reciprocal compensation, and should not be otherwise  
4 compensated. Based on the 1996 Act and the FCC's Local Competition Order,  
5 reciprocal compensation obligations under Section 251(b)(5) only apply to  
6 local traffic. ISP-bound traffic constitutes access service, which is clearly  
7 subject to interstate jurisdiction. BellSouth recognizes that this Authority has  
8 previously ruled in Docket 98-00118 (*In Re: Petition of Brooks Fiber to*  
9 *Enforce Interconnection Agreement and for the Issuance of a Show Cause*  
10 *Order*), that the parties are required, on an interim basis, to treat traffic that  
11 originates from and terminates to an enhanced service provider or an ISP as  
12 local traffic subject to the payment of reciprocal compensation. In this  
13 arbitration proceeding, and on an interim basis, BellSouth agrees to apply the  
14 Authority's ruling, until the FCC establishes final rules concerning ISP-bound  
15 traffic. Once a permanent inter-carrier compensation mechanism is  
16 established, the parties would engage in a retroactive true-up based upon the  
17 established mechanism. By adopting this position, BellSouth does not waive  
18 its right to appeal or seek judicial review on this issue.

19  
20 ***Issue 11: (a) What is the appropriate test or tests to determine whether Sprint may***  
21 ***charge the tandem interconnection rate for local traffic terminated to Sprint?***  
22

23 ***(b) Should Sprint be required to demonstrate to the TRA that it has met the test or***  
24 ***tests identified in (a), above, for every switch in Sprint's network?***  
25

1 Q. WHAT IS BELL SOUTH'S UNDERSTANDING OF ISSUE 11(a)?

2

3 A. BellSouth understands this issue to be whether or not Sprint's switch serves a  
4 geographic area comparable to the area served by BellSouth's tandem switch is  
5 the only criteria for determining if Sprint is permitted to charge BellSouth the  
6 tandem access rate.

7

8 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

9

10 A. In order for Sprint to appropriately charge tandem rate elements, Sprint must  
11 demonstrate to the Authority that: 1) its switches serve a comparable  
12 geographic area to that served by BellSouth's tandem switches; and 2) its  
13 switches perform local tandem functions. Sprint should only be compensated  
14 for the functions that it actually provides. Sprint is only entitled to charge for  
15 tandem switching on the local calls that are, in fact, switched by the tandem.  
16 Sprint is not entitled to tandem switching compensation on local calls not  
17 switched by a local tandem, even if Sprint has a local tandem.

18

19 Q. PLEASE DESCRIBE SPRINT'S POSITION ON THIS ISSUE.

20

21 A. Sprint's position is that when its local switch covers a geographic area  
22 comparable to BellSouth's tandem, Sprint should always receive the rate for  
23 reciprocal compensation. Sprint totally disregards the FCC's other criteria for  
24 qualifying for tandem switching compensation – that Sprint's switch actually  
25 performs a tandem function on a given call.

1

2 Q. WHAT IS THE BASIS FOR BELL SOUTH'S POSITION ON THIS ISSUE?

3

4 A. The FCC posed two requirements before a CLEC is entitled to compensation at  
5 both the end office and tandem-switching rate for any particular local call. The  
6 switch involved has to serve the appropriate geographic area, and it has to  
7 perform tandem switching functions for local calls. BellSouth notes that in  
8 Section 51.711(a)(1) of its Local Competition Order, the FCC states that  
9 "symmetrical rates are rates that a carrier other than an incumbent LEC  
10 assesses upon an incumbent LEC for transport and termination of local  
11 telecommunications traffic equal to those that the incumbent LEC assesses  
12 upon the other carrier for the same services." (Emphasis added) Again, in  
13 Section 51.711(a)(3), the FCC states that "[w]here the switch of a carrier other  
14 than an incumbent LEC serves a geographic area comparable to the area served  
15 by the incumbent LEC's tandem switch, the appropriate rate for the carrier  
16 other than an incumbent LEC is the incumbent LEC's tandem interconnection  
17 rate."

18

19 The FCC recognized that the CLECs might not use the same network  
20 architecture that BellSouth or any other incumbent carrier uses. That concern,  
21 however, is not an issue in this case. In order to ensure that the CLECs would  
22 receive the equivalent of a tandem-switching rate, if it were warranted, the  
23 FCC directed state commissions to do two things. First, the FCC directed state  
24 commissions to "consider whether new technologies (e.g., fiber ring or  
25 wireless network) performed functions similar to those performed by an

1        incumbent LEC's tandem switch and thus whether some or all calls  
2        terminating on the new entrant's network should be priced the same as the sum  
3        of transport and termination via the incumbent LEC's tandem switch." (Local  
4        Competition Order ¶ 1090) (Emphasis added). Further, the FCC stated that  
5        "[w]here the interconnecting carrier's switch serves a geographic area  
6        comparable to that served by the incumbent LEC's tandem switch, the  
7        appropriate proxy for the interconnecting carrier's additional costs is the LEC  
8        tandem interconnection rate." Id.

9  
10       Therefore, pursuant to Section 51.711, before charging BellSouth the tandem  
11       switching rate, Sprint must show not only that its switch covers the same  
12       geographic area as BellSouth's tandem switch, but that Sprint's switch is  
13       providing the same services as BellSouth's tandem switch for local traffic.

14  
15       Q.       HAS THE FCC DEFINED WHAT FUNCTIONS A TANDEM SWITCH  
16       MUST PROVIDE?

17  
18       A.       Yes. In its recently released Order No. FCC 99-238, the FCC's rules at  
19       51.319(c)(3) state:

20                *Local Tandem Switching Capability. The tandem switching capability*  
21                *network element is defined as:*

22                (i)       *Trunk-connect facilities, which include, but are not limited to,*  
23                *the connection between trunk termination at a cross connect*  
24                *panel and switch trunk card;*



- 1                   (ii)     *The basic switch trunk function of connecting trunks to trunks;*  
2                                   *and*  
3                   (iii)    *The functions that are centralized in tandem switches (as*  
4                                   *distinguished from separate end office switches), including but*  
5                                   *not limited, to call recording, the routing of calls to operator*  
6                                   *services, and signaling conversion features.*  
7

8    Q.     HOW DOES THE FCC’S DEFINITION OF TANDEM SWITCHING APPLY  
9            TO THIS ISSUE?  
10

11   A.     To receive reciprocal compensation for tandem switching, a carrier must be  
12           performing all of the functions described in the FCC’s definition of tandem  
13           switching. It is not enough that the switch is simply “capable” of providing the  
14           function of a tandem switch, it has to be providing those functions for local  
15           calls. This is true, if for no other reason, because the reciprocal compensation  
16           rate for tandem switching is the same as the UNE rate for tandem switching.  
17           That rate recovers the cost of performing, for local calls, the functions  
18           described in the FCC’s definition. Otherwise, the carrier would simply be  
19           receiving a windfall.  
20

21           If Sprint’s switches are only switching traffic for end users directly connected  
22           to that switch, then that is an end office switching function, not a tandem  
23           switching function. As stated in the FCC’s definition, to provide tandem  
24           switching, Sprint’s switch must connect trunks terminated in one end office  
25           switch to trunks terminated in another end office switch. Based on Sprint’s

1 testimony, Sprint does not claim that its switches provide that function. If,  
2 instead, Sprint's switches are connecting trunks to end users' lines, the local  
3 end office switching rate fully compensates Sprint for performing this function.

4

5 Q. WHAT OTHER SUPPORT DO YOU HAVE THAT CONTRADICTS  
6 SPRINT'S CLAIM THAT THE ONLY CRITERIA FOR DETERMINING  
7 ELIGIBILITY FOR TANDEM SWITCHING CHARGES IS THE  
8 GEOGRAPHIC AREA SERVED?

9

10 A. As I stated above, the FCC has a two-part test to determine if a carrier is  
11 eligible for tandem switching: 1) a CLEC's switch must serve the same  
12 geographic area as the ILEC's tandem switch; and 2) a CLEC's switch must  
13 perform tandem switching functions. This is not just BellSouth's view. Each  
14 Court that has looked at this, and there has been at least three, has agreed.

15

16 Q. DOES SPRINT'S SWITCH SERVE A GEOGRAPHIC AREA  
17 COMPARABLE TO BELL SOUTH'S TANDEM?

18

19 A. Without additional information, it is not possible to determine whether Sprint's  
20 switch actually serves a geographic area comparable to BellSouth's tandem.  
21 Although Sprint's petition tends to suggest that Sprint's switch covers an area  
22 comparable to BellSouth's tandem switches, Sprint offers absolutely no  
23 evidence to support such a position. Even if one were to assume that Sprint's  
24 switch covers a geographic area similar to BellSouth's tandem, unless Sprint's  
25 switch is performing tandem functions, which the FCC has indicated is one of

1 the required criteria that a CLEC's switch must meet, Sprint is not eligible for  
2 the tandem switching element of reciprocal compensation.

3  
4 To illustrate the importance of this point, assume Sprint has ten customers in  
5 Nashville, all of which are located in a single office complex next door to  
6 Sprint's Nashville switch. Under no set of circumstances could Sprint  
7 seriously argue that, in such a case, its switch serves a comparable geographic  
8 area to BellSouth's switch. See Decision 99-09-069, In re: Petition of Pacific  
9 Bell for Arbitration of an Interconnection Agreement with MFS/WorldCom,  
10 Application 99-03-047, 9/16/99, at 15-16 (finding "unpersuasive" MFS's  
11 showing that its switch served a comparable geographic area when many of  
12 MFS's ISP customers were actually collocated with MFS's switch).

13

14 Q. WHAT IS BELL SOUTH'S POSITION ON THE SECOND PART OF THIS  
15 ISSUE?

16

17 A. BellSouth's position is that Sprint must demonstrate to the TRA that its  
18 switch(es) actually serve a comparable area to the BellSouth tandem. The  
19 determination of the application of the tandem switching rate element should  
20 be based on the evidence presented by each carrier, and Sprint offers  
21 absolutely no evidence to demonstrate that its switch covers an area  
22 comparable to BellSouth's tandem switches.

23

24 Q. HAS THE TRA PREVIOUSLY ADDRESSED THE ISSUE OF TANDEM  
25 SWITCHING?

1

2 A. Yes. In its Order in the ITC^DeltaCom-BellSouth Arbitration proceeding, the  
3 TRA determined in Issue 3(2) that:

4 *. . .DeltaCom did not carry the burden in demonstrating that its*  
5 *network and the configuration of its network provided the tandem*  
6 *functions. Should DeltaCom be capable of carrying the burden on that*  
7 *particular point at a later time, it may be appropriate for DeltaCom to*  
8 *also receive the tandem rate for reciprocal compensation when the*  
9 *tandem function is utilized. (Emphasis added.)*

10

11 Q. HAVE OTHER STATES WITHIN THE NINE-STATE BELL SOUTH  
12 SERVING AREA RULED IN FAVOR OF BELL SOUTH ON THIS ISSUE?

13

14 A. Yes. Most recently, this issue was addressed by the Florida Commission in its  
15 August 22, 2000 Order No. PSC-00-1519-FOF-TP in Docket No. 991854-TP  
16 (Intermedia/BellSouth Arbitration). At page 12, the Order states:

17 *In evaluating this issue, we are presented with two criteria set forth in*  
18 *FCC 96-325, ¶1090, for determining whether symmetrical reciprocal*  
19 *compensation at the tandem rate is appropriate: similar functionality*  
20 *and comparable geographic areas.*

21 Further, at page 14, the Order concludes:

22 *We find the evidence of record insufficient to determine if the second,*  
23 *geographic criterion is met. We are unable to reasonably determine if*  
24 *Intermedia is actually serving the areas they have designated as local*  
25 *calling areas. As such, we are unable to determine that Intermedia*

1                   *should be compensated at the tandem rate based on geographic*  
2                   *coverage.*

3  
4                   *As mentioned above, neither do we find sufficient evidence in the*  
5                   *record indicating that Intermedia's switch is performing similar*  
6                   *functions to that of a tandem switch. Therefore, we are unable to find*  
7                   *that Intermedia should be compensated at the tandem rate based on*  
8                   *similar functionality as well. This is consistent with past decisions of*  
9                   *this Commission.*

10

11    Q.       WHAT DOES BELL SOUTH REQUEST THE AUTHORITY DO?

12

13    A.       Absent evidence that Sprint's switches actually serve the same geographic area  
14           as BellSouth's tandems, and absent evidence that Sprint's switches do perform  
15           the functions of a tandem switch, BellSouth requests that this Authority  
16           determine that Sprint is only entitled, where it provides local switching, to the  
17           end office switching rate. BellSouth is not disputing Sprint's right to  
18           compensation at the tandem rate where the facts support such a conclusion. In  
19           this proceeding, however, Sprint is seeking a decision that allows it to be  
20           compensated for functionality it has not shown that it provides.

21

22    ***Issue No. 12: Should voice-over-Internet ("IP Telephony") traffic be included in the***  
23           ***definition of "Switched Access Traffic", thus obligating Sprint to pay switched***  
24           ***access charges for such calls?***

25

1 Q. PLEASE EXPLAIN BELLSOUTH'S UNDERSTANDING OF THIS ISSUE.

2

3 A. This issue addresses the appropriate compensation for phone-to-phone calls  
4 that utilize a technology known as Internet Protocol ("IP"). First, let me be  
5 clear on the distinction between "voice calls over the Internet" and "voice calls  
6 over Internet Protocol ("IP") telephony." IP Telephony is, in very simple and  
7 basic terms, a mode or method of completing a telephone call. The word  
8 "Internet" in Internet Protocol telephony refers to the name of the protocol; it  
9 does not mean that the service necessarily uses the World Wide Web.

10

11 Q. WHAT IS PHONE-TO-PHONE IP TELEPHONY?

12

13 A. Phone-to-phone IP telephony is telecommunications service that is provided  
14 using Internet Protocol for one or more segments of the call. IP telephony is,  
15 in very simple and basic terms, a mode or method of completing a telephone  
16 call. Currently, there are various technologies used to transmit telephone calls,  
17 of which the most common are analog and digital. In the case of IP telephony  
18 originated from a traditional telephone set, the local carrier first converts the  
19 voice call from analog to digital. The digital call is sent to a gateway that takes  
20 the digital voice signal and converts, or packages, it into data packets. These  
21 data packets are like envelopes with addresses which "carry" the signal across  
22 a network until they reach their destination, which is known by the address on  
23 the data packet, or envelope. This destination is another gateway, which  
24 reassembles the packets and converts the signal to analog, or a plain old

1 telephone call, to be terminated on the called party's local telephone  
2 company's lines.

3

4 To explain it another way, Phone-to-Phone IP telephony is where an end user  
5 customer uses a traditional telephone set to call another traditional telephone  
6 set using IP telephony. The fact that IP technology is used, at least in part, to  
7 complete the call is transparent to the end user. Phone-to-Phone IP telephony  
8 is identical, by all relevant regulatory and legal measures, to any other basic  
9 telecommunications service, and should not be confused with calls to the  
10 Internet through an ISP. Characteristics of Phone-to-Phone IP telephony are:

- 11 • IP telephony provider gives end users traditional dial tone (not modem  
12 buzz);
- 13 • End user does not call modem bank;
- 14 • Uses traditional telephone sets (vs. computer);
- 15 • Call routes using telephone numbers (not IP addresses);
- 16 • Basic telecommunications (not enhanced);
- 17 • IP Telephone providers are telephone carriers (not ISPs).

18 Phone-to-Phone IP telephony should not be confused with Computer-to-  
19 Computer IP telephony, where computer users use the Internet to provide  
20 telecommunications to themselves. BellSouth is not purporting to address  
21 Computer IP telephony in this issue.

22

23 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

24

25 A. As with any other local traffic, reciprocal compensation should apply to local

1 telecommunications provided via IP Telephony, to the extent that it is  
2 technically feasible to apply such charges. To the extent, however, that calls  
3 provided via IP telephony are long distance calls, access charges should apply.  
4 Application of access charges for long distance calls does not depend on the  
5 technology used to transport such calls. Due to the increasing use of IP  
6 technology mixed with traditional circuit switching technology to switch or  
7 transport voice telecommunications, BellSouth's position is that it is important  
8 to specify in the agreement that long distance calls, irrespective of the  
9 technology used to transport them, constitute switched access traffic and not  
10 local traffic.

11

12 Switched access charges, not reciprocal compensation, apply to phone-to-  
13 phone long distance calls that are transmitted using IP telephony. From the  
14 end user's perspective – and, indeed, from the IXC's perspective – such calls  
15 are indistinguishable from regular circuit switched long distance calls. The  
16 IXC may use IP technology to transport all or some portion of the long  
17 distance call, but that does not change the fact that it is a long distance call.

18

19 Q. WHAT IS SPRINT'S POSITION ON THIS ISSUE?

20

21 A. It appears that Sprint is attempting to inappropriately assert the ESP exemption  
22 to all calls, and treat all calls using IP telephony as local traffic. Consider the  
23 example of a call from Nashville to New York sent over Sprint's circuit  
24 switched network. Certainly, this call is a long distance call, and access  
25 charges would apply. If Sprint, however, transported that same call using IP



1           telephony, Sprint's position is that the call from Nashville to New York is a  
2           local call and that reciprocal compensation applies. Surely, Sprint's choice of  
3           transmission protocol does not transform a long distance call into a local call.

4  
5           Due to the increasing use of IP technology mixed with traditional analog and  
6           digital technology to transport voice long distance telephone calls, BellSouth's  
7           position is that it is important to specify in the agreement that such traffic is not  
8           local traffic, the same as any other long distance traffic is not local traffic.

9  
10       Q.     DOES THE FCC VIEW CALLS TO INFORMATION SERVICE  
11           PROVIDERS ("ISP-BOUND TRAFFIC") DIFFERENTLY THAN PHONE-  
12           TO-PHONE IP TELEPHONY IN TERMS OF APPLICABLE CHARGES?

13  
14       A.     Yes. Neither ISP-bound traffic nor the transmission of long distance services  
15           via IP Telephony traffic is local traffic; however, the FCC has treated the two  
16           types of traffic differently in terms of the rates that such providers pay for  
17           access to the local exchange company's network. Calls to Information Service  
18           Providers have been exempted by the FCC from access charges for use of the  
19           local network in order to encourage the growth of these emerging services –  
20           most specifically access to the Internet. The FCC has found that ISPs use  
21           interstate access service, but are exempt from switched access charges  
22           applicable to other long distance traffic. As a result of this FCC exemption,  
23           ISP-bound traffic is assessed at the applicable business exchange rate.

24

1 On the other hand, the transmission of long-distance voice services - whether  
2 by IP telephony or by more traditional means - is not exempt from switched  
3 access charges. The FCC has provided no exemption from access charges  
4 when IP telephony is used to transmit long distance telecommunications.

5

6 The FCC's April 10, 1998 Report to Congress states: "The record...  
7 suggests... 'phone-to-phone IP telephony' services lack the characteristics that  
8 would render them 'information services' within the meaning of the statute,  
9 and instead bear the characteristics of 'telecommunication services'." Further,  
10 Section 3 of the Telecommunications Act of 1996 defines  
11 "telecommunications" as the "transmission, between or among points specified  
12 by the user, of information of the user's choosing, without change in the form  
13 or content of the information as sent and received." Thus, IP telephony is  
14 telecommunications service, not information or enhanced service.

15

16 Long distance service is a mature industry, and simply changing the  
17 technology that is used to transmit the long distance service does not change  
18 the service. All other long-distance carriers currently pay these same access  
19 charges, and there is no authority to exempt them, regardless of the protocol  
20 used to transport such calls. To do otherwise would unreasonably discriminate  
21 between long-distance carriers utilizing IP telephony and those who do not.

22

23 Q. WHY HAS BELL SOUTH INCLUDED AN EXCEPTION FOR LONG  
24 DISTANCE IP TELEPHONY IN ITS PROPOSED DEFINITION OF LOCAL  
25 TRAFFIC IN THE NEGOTIATIONS WITH SPRINT?

1  
2 A. In seeking to include a sentence addressing IP telephony, BellSouth is simply  
3 attempting to be clear in the agreement that switched access charges, not  
4 reciprocal compensation, apply to phone-to-phone long distance calls that are  
5 transmitted using IP telephony. From the end user's perspective, and, indeed  
6 from the interexchange carrier's ("IXC's") perspective, such calls are  
7 indistinguishable from regular circuit switched long distance calls. The IXC  
8 may use IP technology to transport all, or some portion, of the long distance  
9 call, but that does not change the fact that it is a long distance call. Even if the  
10 Authority is unable to decide whether access charges apply, it is clear that  
11 reciprocal compensation does not.

12  
13 Q. WHAT IS BELL SOUTH ASKING THE TRA TO DECIDE ON THIS  
14 ISSUE?

15  
16 A. BellSouth believes that the jurisdiction of a call is determined by the end points  
17 of the call, not the technology used to transport the call. Therefore, phone-to-  
18 phone calls using IP telephony that originate and terminate in different local  
19 calling areas are subject to switched access today. Under no circumstance  
20 would such calls be subject to reciprocal compensation.

21  
22 BellSouth urges the Authority to defer decision of whether IP telephony is  
23 switched access until the FCC makes a decision on the interstate issue.  
24 BellSouth, however, also urges the Authority to find, on this issue, that  
25 regardless of the FCC's decision on switched access, that reciprocal

1 compensation is **not** due, under any circumstance, for non-local IP telephony  
2 transmitted traffic.

3

4 ***Issue No. 22: Should the Agreement contain a provision stating that if BellSouth***  
5 ***has provided its affiliate preferential treatment for products or services as***  
6 ***compared to the provision of those same products or services to Sprint, then***  
7 ***the applicable standard (i.e., benchmark or parity) will be replaced for that***  
8 ***month with the level of service provided to the BellSouth affiliate?***

9

10 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

11

12 A. BellSouth believes that the retail analog is the appropriate analog for  
13 determining whether BellSouth provides service at parity to CLECs. Sprint  
14 seems to propose, inappropriately, that BellSouth's performance to its CLEC,  
15 if better than BellSouth's performance to its retail customers, serve as the basis  
16 from which parity should be measured. Moreover, under Sprint's proposal,  
17 some months the analog would be BellSouth's performance to its retail units,  
18 and some months it would be its performance to its CLEC. To make  
19 BellSouth's monthly standard a moving target is absurd and defeats the  
20 purpose of having self-effectuating, easily implemented performance standards  
21 in the first place.

22

23 Q. HOW IS THE TERM AFFILIATE DEFINED IN THE ACT?

24

25 A. The term "Affiliate" is defined in the Act as follows:

1           AFFILIATE - The term “affiliate” means a person that (directly or  
2           indirectly) owns or controls, is owned or controlled by, or is under  
3           common ownership or control with, another person. For purposes of  
4           this paragraph, the term “own” means to own an equity interest (or the  
5           equivalent thereof) of more than 10 percent. (47 U.S.C. 153(1))

6

7           This definition would apply under the Act for all purposes. The definition of  
8           affiliate in the Act, however, is irrelevant in Sprint’s proposal. The real issue  
9           is the extent that affiliate performance is used to assess discrimination.

10

11    Q.    SHOULD THIS AUTHORITY ALTER A PERFORMANCE  
12           MEASUREMENT STANDARD IN A SPECIFIC MONTH IF BELL SOUTH  
13           PROVIDES SUPERIOR SERVICE TO ITS AFFILIATES FOR ANY  
14           PERFORMANCE MEASUREMENT?

15

16    A.    Absolutely not. In the context of performance measurements and enforcement  
17           mechanisms, the only current BellSouth affiliate that could potentially be  
18           relevant to this discussion is BellSouth’s CLEC, because it is the only affiliate  
19           that can provide local exchange services. Sprint’s concern is at best  
20           hypothetical. Inclusion in this discussion of any other BellSouth affiliate, none  
21           of which offer local exchange service, would be inappropriate. Moreover,  
22           BellSouth has a legal obligation to provide non-discriminatory service to all  
23           CLECs, including its own.

24

1 Q. IS BELLSOUTH'S POSITION THAT PERFORMANCE SHOULD BE  
2 ASSESSED BASED ON RETAIL SERVICE OFFERINGS CONSISTENT  
3 WITH THE FCC'S RULINGS?  
4

5 A. Yes. Although the FCC, has in some instances made mention of affiliates, all  
6 assessments made by the FCC have been based on the BOC's performance to  
7 its retail customers. The test that the FCC actually applied in the BA-NY  
8 application focused on Bell Atlantic's retail service offerings and not to  
9 offerings to an affiliate. In ¶ 68 of the Order, the FCC found that Bell Atlantic  
10 provided nondiscriminatory access to interconnection trunking because the  
11 trunking that it provides to CLECs "is equal in quality to the interconnection  
12 that Bell Atlantic provides to its own retail operations . . ." Likewise, the FCC  
13 found that Bell Atlantic was compliant with Checklist Item 6 (unbundled local  
14 switching) based upon a finding that "the features, functions and capabilities of  
15 the switch [provided to the CLEC] include the basic switching function as well  
16 as the same basic capabilities that are available to the incumbent LEC's  
17 customers." (¶ 343) Upon review of the BA-NY Order, it is clear that the  
18 analysis that was performed to determine whether a retail analog had been met  
19 was simply to compare the performance provided to the CLEC to the  
20 performance that Bell Atlantic provided to its retail customers. Thus, it is  
21 obvious that performance to affiliates played no role in the analysis. With  
22 respect to services measured by benchmarks instead of retail analogs, Sprint's  
23 proposal is irrelevant. With benchmarks, the only relevant test is whether the  
24 predetermined benchmark is met. The benchmark does not change from  
25 month to month, nor would the benchmark differ for CLECs and the BellSouth

1           affiliate CLEC. Performance is measured and remedies are paid based on a  
2           constant benchmark.

3

4   Q.    IF BELLSOUTH'S CLEC PROVIDES SERVICE IN BELLSOUTH'S  
5           SERVICE AREA, HOW SHOULD ITS PERFORMANCE BE USED?

6

7   A.    As with all other CLECs, BellSouth will produce measurements for its CLEC,  
8           both individually and in the aggregate. In fact, BellSouth's CLEC will get the  
9           same treatment, use the same systems, receive the same measurements and be  
10          entitled to the same remedies as any other CLEC operating in BellSouth's  
11          service territory. In addition, the performance of the BellSouth CLEC will be  
12          included to develop the aggregate CLEC data used to determine performance  
13          for purposes of both Tier-2 and Tier-3. Further, BellSouth will provide to the  
14          Authority periodic performance results for its CLEC just as it does for any  
15          other CLEC operating in its territory. Thus, the Authority will have the  
16          opportunity to evaluate BellSouth's performance to its CLEC relative to all  
17          other CLECs. It would be more appropriate to address this issue if it becomes  
18          a problem, rather than unnecessarily complicate the plan to deal with a  
19          hypothetical occurrence.

20

21   Q.    WHAT IS BELLSOUTH ASKING OF THIS AUTHORITY WITH RESPECT  
22           TO ISSUE 22?

23

24   A.    BellSouth is requesting that the Authority reject Sprint's proposal. The FCC  
25          has determined, and rightly so, that performance comparisons should be made

1 to the service that BellSouth provides its retail customers. There is no  
2 requirement, nor is there need for one, that BellSouth take one small aspect of  
3 “itself” (i.e., its CLEC) and create a separate standard based on performance to  
4 its affiliate.

5  
6 ***Issue 25: Should the availability of BellSouth’s VSEEM III remedies proposal to***  
7 ***Sprint and the effective date of VSEEM III be tied to the date that BellSouth***  
8 ***receives interLATA authority in Tennessee?***  
9

10 Q. WHAT IS BELL SOUTH’S POSITION ON THIS ISSUE?

11  
12 A. BellSouth’s position is that, because the FCC has identified the  
13 implementation of enforcement mechanisms and penalties to be a factor in  
14 determining the risk of post-271 approval non-compliance, it would be  
15 inappropriate to implement such mechanisms prior to BellSouth’s obtaining  
16 interLATA relief. The FCC’s view of enforcement mechanisms and penalties  
17 is that such a plan would be an additional incentive to ensure that and ILEC  
18 continues to comply with the competitive checklist after interLATA relief is  
19 granted. However, the FCC has never indicated that enforcement mechanisms  
20 and penalties are either necessary or required to ensure that BellSouth meets its  
21 obligations under Section 251 of the Act.

22  
23 Therefore, because performance penalties serve no purpose until after  
24 interLATA 271 relief is granted, BellSouth recommends that an enforcement  
25 mechanism take effect only when the plan becomes necessary to serve its



1           purpose; i.e., after BellSouth receives interLATA authority. Under  
2           BellSouth's proposal, each Tennessee CLEC that has incorporated the plan  
3           into its interconnection agreement will be eligible for payment of penalties by  
4           BellSouth at such time as BellSouth obtains interLATA relief in Tennessee.

5

6   Q.    HAS BELLSOUTH AGREED, WITH SOME CLECs, TO A DIFFERENT  
7           IMPLEMENTATION SCHEDULE FOR TIER – 1 PENALTIES.

8

9   A.    Yes. As part of an overall contract negotiation and settlement process,  
10         BellSouth has included a different implementation schedule in its  
11         interconnection agreement with certain CLECs. This negotiated arrangement  
12         was part of a settlement of numerous arbitration issues and is not part of  
13         BellSouth's standard enforcement mechanism offering. Basically, the  
14         difference in this negotiated agreement as compared to BellSouth's standard  
15         enforcement mechanism proposal is that Tier I damages will be payable to a  
16         CLEC in all states in which the CLEC has an interconnection agreement with  
17         BellSouth once long distance relief is granted in any state. Thus, any CLEC in  
18         Tennessee that has incorporated the negotiated plan into its interconnection  
19         agreements will be eligible to receive Tier I damages once BellSouth receives  
20         long distance authority in any state. As with BellSouth's standard enforcement  
21         mechanism proposal, Tier-2 and Tier-3 remedies would take effect in a  
22         particular state when BellSouth obtains interLATA relief in that state.

23

24   Q.    DOES THE TRA HAVE AUTHORITY TO ORDER IMPLEMENTATION  
25           OF A SELF-EXECUTING REMEDY PLAN WITHOUT BELLSOUTH'S

1           CONSENT?

2

3       A.     Because enforcement mechanisms are not required by the Act nor by any FCC  
4           rule, BellSouth does not think it is appropriate for a state commission to order  
5           BellSouth to implement a self-executing remedy plan without BellSouth's  
6           consent. To the extent that any breach of contract issue should arise, there are  
7           perfectly adequate State law and Regulatory Authority procedures available to  
8           address such situations. BellSouth's SQMs are fully enforceable through  
9           regulatory authority complaints in the event of BellSouth's failure to meet such  
10          measurements.

11

12          Further, nothing in the Act requires a self-executing enforcement plan. The  
13          FCC has acknowledged as much in its orders. In its August 1996 Local  
14          Competition Order, the FCC notes that several carriers advocated performance  
15          penalties. *See Local Competition Order, 11 FCC Rcd at 15658 [¶ 305]*. The  
16          FCC did not adopt such performance penalties in the Local Competition Order.  
17          Instead, it acknowledged the wide variety of remedies available to a CLEC  
18          when it believes it has received discriminatory performance in violation of the  
19          Act; *see FCC's Local Competition Order ¶ 129, 11 FCC Rcd. at 15565*  
20          *(emphasizing the existence of sections 207 and 208 FCC complaints for*  
21          *damages, as well as actions under the antitrust laws, other statutes and*  
22          *common law);* and "encourage[d]" the States only to adopt reporting  
23          requirements for ILECs. Likewise, in its order approving Bell Atlantic's entry  
24          into long distance in New York, the FCC analyzed Bell Atlantic's performance  
25          plan "solely for the purpose of determining whether the risk of post-approval

1 non-compliance is sufficiently great that approval of its section 271 application  
2 would not be in the public interest.” Bell Atlantic Order, at ¶433 n.1326.

3  
4 Furthermore, in its October 13, 1998 order regarding BellSouth’s Section 271  
5 application for Louisiana, the FCC reiterated that the existence of such an  
6 enforcement plan is not a pre-requisite to compliance with the competitive  
7 checklist, but rather is a factor that the FCC will consider in assessing whether  
8 the RBOC’s entrance into the interLATA market would serve the “public  
9 interest.” See FCC’s Louisiana II Order, at ¶363 and n.1136. The FCC stated  
10 that “evidence that a BOC has agreed in its interconnection agreements to  
11 performance monitoring” (including performance standards, reporting  
12 requirements, and appropriate self-executing enforcement mechanisms)  
13 “would be probative evidence that a BOC will continue to cooperate with new  
14 entrants, even after it is authorized to provide in-region, interLATA services.”  
15 Id. at ¶¶363-64.

16  
17 In a recent Ninth Circuit decision, when discussing objective performance  
18 standards, the Court held that:

19 *Neither the Act nor any FCC rule affirmatively requires states to*  
20 *do so, however. The FCC might have wanted the WUTC to*  
21 *impose more specific requirements, such as objective*  
22 *performance standards, on an incumbent like U.S. West, but*  
23 *again, our review seeks to determine solely whether the lack of*  
24 *those requirements violates the Act. In the absence of an FCC*  
25 *rule, the law does not require them.*

1           *MCI Telecommunications, Inc. et al v. U.S. West Communications*, 204 F.3d  
2           1262 (9<sup>th</sup> Cir. March 2, 2000).

3

4           The FCC has made it clear that the primary, if not sole, purpose of a voluntary  
5           self effectuating remedy plan is to guard against RBOC “backsliding”; that is,  
6           providing discriminatory performance after it has received the so-called  
7           “carrot” of long distance approval.

8

9           ***Issue 26: Should BellSouth be required to apply a statistical methodology to the***  
10           ***SQM performance measures provided to Sprint?***

11

12       Q.     WHAT IS BELLSOUTH’S UNDESTANDING OF THIS ISSUE?

13

14       A.     BellSouth understands that in this issue Sprint is requesting the Authority to  
15           require BellSouth to provide the statistical methodology related to its  
16           enforcement mechanism proposal, as part of its SQM.

17

18       Q.     WHAT IS BELLSOUTH’S POSITION ON THIS ISSUE?

19

20       A.     BellSouth is not required to provide information to Sprint that relates to a plan  
21           not being offered to Sprint. Sprint, inappropriately, is trying to merge the  
22           contents of two different plans. The statistical methodology that Sprint is  
23           requesting is part and parcel of BellSouth’s enforcement remedies proposal,  
24           and not a part of BellSouth’s SQM. As I stated before, BellSouth’s

1 enforcement mechanism plan is not being offered to Sprint and, therefore,  
2 Sprint is not entitled to the information being requested.  
3

4 ***Issue No. 29: What is the appropriate rate for dedicated trunking from each***  
5 ***BellSouth end-office identified by Sprint to either the BellSouth Traffic Operator***  
6 ***Position System ("TOPS"), or the Sprint operator service provider?***  
7

8 Q. WHAT DOES BELLSOUTH UNDERSTAND THIS ISSUE TO BE?  
9

10 A. BellSouth understands that in this issue Sprint is asking that the dedicated  
11 trunks being used for accessing operator services and directory assistance, and  
12 allegedly needed by Sprint for branding, be billed at UNE rates.  
13

14 Q. PLEASE EXPLAIN BELLSOUTH'S POSITION ON ISSUE NO. 29.  
15

16 A. BellSouth's position is that since, based on the FCC's UNE Remand Order,  
17 BellSouth is no longer required to unbundle OS/DA, that the trunks associated  
18 with such services should be billed at the rate in BellSouth's access tariff.  
19 BellSouth has provided sufficient customized routing in accordance with State  
20 and Federal law to allow it to avoid providing Operator Services/Directory  
21 Assistance ("OS/DA") as a UNE.  
22

23 Q. WHAT IS BELLSOUTH ASKING OF THIS AUTHORITY ON ISSUE NO.  
24 29?  
25

1 A. BellSouth asks this Authority to deny Sprint's request that BellSouth be  
2 required to provide Sprint dedicated OS/DA trunks at UNE rates and find that  
3 the rates included in BellSouth's access tariff are appropriate for BellSouth to  
4 use in billing for these trunks.

5

6 ***Issue No. 43: (a) Should BellSouth be required to provide Sprint with two-way***  
7 ***trunks upon request?***

8

9 ***(b): Should BellSouth be required to use those two-way trunks for BellSouth***  
10 ***originated traffic?***

11

12 Q. IS BELL SOUTH REQUIRED TO PROVIDE TWO-WAY TRUNKING?

13

14 A. Yes. BellSouth is required to provide two-way trunking upon request.

15

16 Q. WHAT IS BELL SOUTH'S OBLIGATION WITH REGARD TO THE USE  
17 OF TWO-WAY TRUNKING?

18

19 A. BellSouth is only obligated to provide and use two-way local interconnection  
20 trunks where traffic volumes are too low to justify one-way trunks. In all other  
21 instances, BellSouth is able to use one-way trunks for its traffic if it so  
22 chooses. Nonetheless, BellSouth is not opposed to the use of two-way trunks  
23 where it makes sense, and the provisioning arrangements and location of the  
24 Point of Interconnection can be mutually agreed upon.

25

1 Q. ARE TWO-WAY TRUNKS ALWAYS MORE COST EFFICIENT THAN  
2 ONE-WAY TRUNKS?

3  
4 A. No. Two-way trunks may be more efficient than one-way trunks under some  
5 circumstances. Two-way trunks, however, are not always the most efficient  
6 due to busy hour characteristics and balance of traffic. For example, trunk  
7 groups are engineered based upon the amount of traffic that uses the trunk  
8 group during the busiest hour of the day. If the traffic on the trunk group in  
9 both directions occurs in the same or similar busy hour, there will be few, if  
10 any, savings obtained by using two-way trunks versus one-way trunks. The  
11 trunk termination costs will still have to be incurred on the total number of  
12 trunks required to accommodate the total two-way traffic in the busy hour. In  
13 addition, if the traffic is predominately flowing in one direction, there will be  
14 little or no savings in two-way trunks over one-way trunks.

15  
16 BellSouth has informed Sprint on several occasions that it is willing to employ  
17 two-way trunks consistent with basic two-way trunking principles. However,  
18 if there are no efficiencies to be gained, BellSouth is entitled to use one-way  
19 trunks for its traffic just as Sprint is entitled to use one-way trunks for its  
20 traffic.

21  
22 Q. WHY SHOULD BELL SOUTH HAVE THE RIGHT TO ESTABLISH ONE-  
23 WAY TRUNKS FOR BELL SOUTH ORIGINATED TRAFFIC?

24

- 1     A.     BellSouth should have the flexibility to use one-way trunks for its originated  
2           traffic for the following reasons:
- 3           1. If the majority of traffic exchanged between the companies originates on  
4           BellSouth's network, which is usually the case, BellSouth must have the  
5           ability to establish direct trunk groups from its end offices to the point of  
6           interconnection when traffic volumes dictate. BellSouth must retain the  
7           option to utilize one-way trunks if Sprint or another CLEC is uncooperative  
8           in establishing direct end office to end office trunks or in providing a  
9           sufficient number of two-way trunks.
- 10          2. Because two-way trunks carry both companies' originated traffic, requiring  
11          two-way trunks allows a CLEC to determine the Interconnection Point for  
12          BellSouth originated traffic. CLECs have the right to determine the  
13          interconnection point for traffic originated by their customers. If both  
14          BellSouth and CLEC originated traffic is interconnected over the same  
15          trunk group, the CLEC would also be defining the interconnection point for  
16          BellSouth's originating traffic. The FCC specifically declined to give  
17          CLECs such control over BellSouth's internal network costs for handling  
18          local traffic originated by BellSouth end users.
- 19          3. Allowing the CLEC to designate the Point of Interconnection for BellSouth  
20          originated traffic allows the CLEC to inappropriately increase BellSouth's  
21          costs. If a CLEC could require two-way trunks, the CLEC would most  
22          likely select a Point of Interconnection very close to its switch, and elect  
23          two-way trunks via a tandem switch. In such a case, the CLEC could  
24          eliminate the majority of its internal costs by increasing BellSouth's costs



1 of delivering its traffic to the CLEC. The FCC specifically declined to  
2 give CLECs this ability.

3 4. Two-way trunks involve a variety of complex issues that must be addressed  
4 by the parties. For example, two-way trunk installation involves agreement  
5 on: 1) the number of trunks required; 2) when trunk augmentation is  
6 required; 3) whether to install direct end office to end office trunk groups  
7 or tandem trunk groups; 4) whose facilities will be used to transport the  
8 two-way trunk groups when both companies have available facilities; 5)  
9 where the Point of Interconnection will be located; 6) which company will  
10 order and install the trunk group and who will control testing and  
11 maintenance of the trunk group; and 7) the method of compensation  
12 between the parties for two-way trunks that carry multi-jurisdictional  
13 traffic. All of these issues must be resolved between the parties in order to  
14 make two-way trunks a viable arrangement.

15

16 Q. DOES THE FCC SUPPORT THE USE OF ONE-WAY TRUNKS?

17

18 A. Yes. Paragraph 219 of the FCC's Local Competition Order discusses the  
19 situation in which a carrier does not have sufficient volume to justify one-way  
20 trunks. That is the only instance where two-way trunks must be  
21 accommodated. In all other cases, BellSouth is permitted to utilize one-way  
22 trunks.

23

24 Q. HOW DOES BELL SOUTH RECOMMEND THE AUTHORITY RESOLVE  
25 THIS ISSUE?

1

2     A.     Based on the preceding discussion, BellSouth requests the Authority to adopt  
3             BellSouth's position on this issue and not require BellSouth to use two-way  
4             trunking except as required by the FCC. The Authority is requested to adopt  
5             BellSouth's contract language that allows the parties to reach mutual  
6             agreement on the use of two-way trunks. This method has proven effective  
7             where BellSouth and other CLECs have addressed the provision of two-way  
8             trunks.

9

10    Q.     DOES THIS CONCLUDE YOUR TESTIMONY?

11

12    A.     Yes.

13

14             PCDOCS #241333

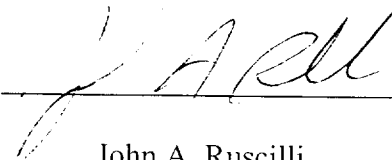
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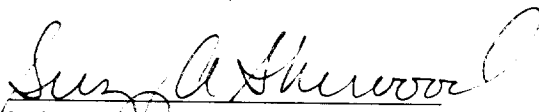
STATE OF: Georgia  
COUNTY OF: Fulton

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared John A. Ruscilli –Senior Director – State Regulatory, BellSouth Telecommunications Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 00-00691 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 67 pages and 1 exhibit(s).

  
John A. Ruscilli

Sworn to and subscribed  
before me on 4/24/03

  
NOTARY PUBLIC



1                               BELLSOUTH TELECOMMUNICATIONS, INC.  
2                               DIRECT TESTIMONY OF W. KEITH MILNER  
3                               BEFORE THE TENNESSEE REGULATORY AUTHORITY  
4                               DOCKET NO. 00-00691  
5                               JANUARY 5, 2001  
6

7    Q.    PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND  
8           YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS,  
9           INC. ("BELLSOUTH").  
10

11   A.    My name is W. Keith Milner. My business address is 675 West  
12           Peachtree Street, Atlanta, Georgia 30375. I am Senior Director -  
13           Interconnection Services for BellSouth. I have served in my present  
14           position since February 1996.  
15

16   Q.    PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.  
17

18   A.    My business career spans over 30 years and includes responsibilities  
19           in the areas of network planning, engineering, training, administration,  
20           and operations. I have held positions of responsibility with a local  
21           exchange telephone company, a long distance company, and a  
22           research and development company. I have extensive experience in  
23           all phases of telecommunications network planning, deployment, and  
24           operations in both the domestic and international arenas.  
25

1 I graduated from Fayetteville Technical Institute in Fayetteville, North  
2 Carolina, in 1970, with an Associate of Applied Science in Business  
3 Administration degree. I later graduated from Georgia State University  
4 in 1992 with a Master of Business Administration degree.  
5

6 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC  
7 SERVICE COMMISSION?  
8

9 A. I have previously testified before the state Public Service Commissions  
10 in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, and  
11 South Carolina, the Tennessee Regulatory Authority, and the North  
12 Carolina Utilities Commission on the issues of technical capabilities of  
13 the switching and facilities network, the introduction of new service  
14 offerings, expanded calling areas, unbundling, and network  
15 interconnection.  
16

17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?  
18

19 A. In my testimony, I will address the technical aspects of network related  
20 issues which have been raised in the Petition for Arbitration filed by  
21 Sprint Communications Company Limited ("Sprint") in this docket.  
22 Specifically, I will address the following issues, in whole or in part:  
23 Issues 9, 13, 14, 16, 17, 18, 20, 21, 30, 45, and 47.  
24  
25

1   **Issue No. 9(a): Should the parties' Agreement contain language**  
2   **providing Sprint with the ability to transport multi-jurisdictional traffic**  
3   **over the same trunk groups, including access trunk groups?**  
4

5   Q.   DOES BELL SOUTH OBJECT TO HAVING LANGUAGE  
6       CONCERNING THE TRANSPORT OF MULTI-JURISDICTIONAL  
7       TRAFFIC OVER THE SAME TRUNK GROUPS IN THE PARTIES'  
8       INTERCONNECTION AGREEMENT?  
9

10   A.   No. The parties have language dealing with this topic in their existing  
11       agreement. However, the dispute is over what traffic the language is  
12       intended to cover. The existing local interconnection contract section  
13       on this point was and is intended to allow for Sprint-the-CLEC's end  
14       users to complete traffic to Interexchange Carriers (IXCs), other  
15       Competitive Local Exchange Carriers (CLECs), and BellSouth end  
16       users on a single trunk group. As Sprint is aware, the traffic routing  
17       issues associated with Sprint's request in this proceeding are  
18       associated with traffic originating from BellSouth's switches and  
19       destined for Sprint's network. I note that to date Sprint is the only  
20       CLEC to make such a request of BellSouth. BellSouth believes  
21       Sprint's request involves significant network planning issues. Further,  
22       BellSouth believes there are also major costs involved which it is  
23       unclear whether Sprint is willing to pay. Thus, BellSouth believes the  
24       appropriate method of addressing Sprint's request is for Sprint to  
25       submit the issue to BellSouth's account team for Sprint as a Bona Fide

1 Request (BFR) so that the required detailed requirements may be  
2 identified and the related costs quantified.  
3

4 Q. PLEASE EXPLAIN IN MORE DETAIL BELL SOUTH'S  
5 UNDERSTANDING OF THE PARTIES' POSITIONS ON THIS ISSUE?  
6

7 A. BellSouth believes that Sprint is asking that BellSouth, in lieu of  
8 establishing a reciprocal trunk group in some central offices, place all  
9 originating and/or terminating traffic, whether local or non-local, over  
10 direct end office switched access Feature Group D trunks. BellSouth  
11 has determined that Sprint's request is technically feasible, but not  
12 without cost. BellSouth has also determined that existing access  
13 service arrangements do not permit Sprint to receive the service it has  
14 requested without significant modifications to those arrangements.  
15

16 Q. PLEASE DESCRIBE BELL SOUTH'S NEGOTIATIONS WITH SPRINT  
17 ON THIS ISSUE.  
18

19 A. BellSouth has negotiated in good faith with Sprint on all local  
20 interconnection issues. In fact, with respect to this issue, BellSouth, on  
21 October 5, 2000, had its network and billing subject matter experts and  
22 other personnel meet with Sprint to discuss the details of Sprint's  
23 request. After much discussion, it was determined that Sprint's  
24 request is technically feasible. Additionally, it was determined that  
25 provisioning this request would cause additional costs to BellSouth,

1           that these costs would need to be quantified, and that Sprint would  
2           need to agree to the payment of these costs before implementation  
3           could begin.

4  
5   Q.    HAVE BELLSOUTH'S SUBJECT MATTER EXPERTS MET  
6           SUBSEQUENT TO THE OCTOBER 5 MEETING TO WORK  
7           THROUGH THE DETAILS OF SPRINT'S REQUEST AND TO  
8           DETERMINE THE INCREMENTAL COSTS OF IMPLEMENTING  
9           SPRINT'S REQUEST?

10  
11   A.   Yes. A meeting of BellSouth's subject matter experts was held on  
12           November 1, 2000. The group reconfirmed their earlier determination  
13           that, based on the general nature of Sprint's request, Sprint's request  
14           is technically feasible. The group's focus then turned to the  
15           determination of order-of-magnitude costs were Sprint's request to be  
16           implemented.

17  
18   Q.    PLEASE DESCRIBE THE NATURE OF THE INCREMENTAL COSTS  
19           QUANTIFIED BY BELLSOUTH.

20  
21   A.    For a long distance call originating from a BellSouth end user that is  
22           presubscribed to Sprint-the-IXC, BellSouth routes the long distance  
23           call to Sprint's switched access trunks, based on the PIC (Primary  
24           Interexchange Carrier) assigned to the end user's line. To implement  
25           Sprint's proposal of routing local calls to this same switched access



1 trunk group, BellSouth's routing process will need to be manually  
2 altered to analyze all intraLATA NXX codes. This is necessary since  
3 Sprint is asking BellSouth to route calls to a Sprint switch where the  
4 NPA-NXX code does not reside per the LERG (Local Exchange  
5 Routing Guide). In words, instead of send a call from BellSouth's  
6 switch to Sprint's end office switch, Sprint wants the call delivered to  
7 Sprint over a Feature Group D trunk group.

8  
9 The current call routing instructions are issued in compliance with the  
10 industry standard, Telecordia defined, Routing Rules for a Hierarchical  
11 Network. Industry standards require a "tandem company", of which  
12 BellSouth is one, to route calls in this manner.

13  
14 Implementation of Sprint's request will require deviation from the  
15 mechanized industry standard call routing process described above.  
16 In its place will be the application of "exception routing", performed on  
17 a non-standard, manually developed basis for each BellSouth end  
18 office switch and tandem switch, in order to circumvent established  
19 routing rules for Sprint's NXX codes. BellSouth anticipates that the  
20 routing of subsequent Sprint NXX codes would also require updating  
21 on a manual basis. To determine which codes are assigned to Sprint  
22 requires a non-standard look-up of all codes to segregate those  
23 assigned to Sprint. This look-up does not occur today and would be  
24 unique to Sprint or another CLEC that elected routing of its local traffic  
25 to Feature Group D trunks.

1

2 Q. GIVEN THE PROCESS CHANGES YOU HAVE DESCRIBED, WHAT  
3 APPROXIMATION OF COSTS HAS BELL SOUTH IDENTIFIED THUS  
4 FAR?

5

6 A. While I am not a costing expert, from a network provisioning and  
7 operations perspective the costs identified thus far for performing the  
8 manual call routing process necessary to allow for originating local  
9 interconnection traffic over switched access Feature Group D trunks  
10 fall into the following categories: (1) Routing Costs; (2) Translations  
11 Costs; (3) Ordering Costs; and (4) Billing Costs. All of the costs  
12 discussed herein are order-of-magnitude estimates only and have not  
13 been processed through BellSouth's normal costing procedures.

14

15 Q. IS BELL SOUTH ASKING THIS AUTHORITY TO APPROVE ANY  
16 COSTS IN THIS PROCEEDING?

17

18 A. No. Such a request would be completely premature. As I have  
19 already stated, all cost estimates discussed herein are order-of-  
20 magnitude and preliminary and are intended solely to give Sprint and  
21 this Authority an idea of the scope of the costs involved. BellSouth is  
22 merely seeking the Authority's understanding of the potential costs  
23 involved in what appears on the surface to be a disarmingly simple  
24 request by Sprint. BellSouth believes Sprint needs to first consider the  
25 preliminary costs estimates BellSouth has developed. If Sprint then

1 wishes to proceed in light of that information, BellSouth believes the  
2 provisions for Bona Fide Requests (BFRs) in the interconnection  
3 agreement, already agreed to by the parties, are adequate to further  
4 process and potentially implement Sprint's request.

5  
6 Q. PLEASE DESCRIBE BELL SOUTH'S ESTIMATE OF ROUTING  
7 COSTS.

8  
9 A. The first area of routing costs involves the daily analysis of new or  
10 modified NPA-NXX codes to identify which, if any, new codes have  
11 been assigned to Sprint and then to develop the exception routing  
12 instructions for the BellSouth end office switches involved in routing  
13 "Local" over switched access Feature Group D trunks for those Sprint  
14 NPA-NXXs. Since this analysis must be done manually at present,  
15 BellSouth will require one additional routing analyst in each state to  
16 perform this work. Across BellSouth's nine-state region, this equates  
17 to nine new Pay Grade 58 management positions at an approximate  
18 annual loaded labor cost of \$100,000 each. This cost would be  
19 incremental to the Sprint request and would be duplicated for any other  
20 CLEC requesting "Local" over switched access Feature Group D  
21 routing.

22  
23 To accomplish this analysis work in a mechanized manner, an  
24 enhancement to the Advanced Routing and Trunking System (ARTS)  
25 will be required, at an estimated cost of \$500,000 to \$750,000, and will

1 require a lead time of six to nine months. This cost would be shared  
2 among all CLECs requesting "Local" over switched access Feature  
3 Group D routing.

4  
5 The second area of routing costs involves the validation of routing  
6 instructions. When routing instructions are developed, BellSouth  
7 personnel known as "routers" are assigned to validate these  
8 instructions before they are sent forward for implementation. If these  
9 validations are not made, there is strong potential for call routing  
10 errors, which will result in incomplete calls and customer  
11 dissatisfaction. The validation of exception routing instructions for  
12 "Local" over switched access Feature Group D is estimated to require  
13 one additional routing analyst in each state. Across BellSouth's region,  
14 this equates to an additional nine new Pay Grade 58 management  
15 positions at an approximate annual loaded labor cost of \$100,000  
16 each. This cost is incremental to the Sprint request and would be  
17 duplicated for any other CLEC requesting "Local" over switched access  
18 Feature Group D. It is standard procedure for routers to validate  
19 routing instructions. However, another layer of validation will be  
20 required to accommodate Sprint's request for local over Feature Group  
21 D trunks. Type 1 wireless originating calls must be excluded from the  
22 local over Feature Group D project. Therefore, in addition to the  
23 normal validation, routers will have to make sure that all Type 1  
24 wireless codes served by a BellSouth end office switch route differently  
25 from the BellSouth NPA-NXX codes. This requires an extensive

1 manual validation process because each code will have to be routed  
2 and validated separately.

3  
4 Q. PLEASE DESCRIBE BELL SOUTH'S ESTIMATE OF TRANSLATIONS  
5 COSTS.

6  
7 A. The first area of translations costs occurs at the end office switches  
8 involved in "Local" over switched access Feature Group D. Because  
9 Wireless Type 1 traffic cannot be routed to Feature Group D trunk  
10 groups from the end office, this traffic must be routed to the Common  
11 Transport Trunk Group (CTTG). This causes traffic destined to Sprint  
12 NPA-NXXs from a "Local" over switched access Feature Group D end  
13 office to be routed to different trunk groups based upon whether it is  
14 from a Wireless Type 1 service.

15  
16 The second area of translations costs occur at BellSouth's access  
17 tandem switches. Since, per Sprint's request, all BellSouth end offices  
18 may not be involved in routing "Local" over switched access Feature  
19 Group D, screening will need to take place at the access tandem  
20 switch to route traffic from the end offices involved in "Local" over  
21 switched access Feature Group D over the Feature Group D Alternate  
22 Final group to Sprint-the-IXC's switch and route traffic from all other  
23 offices over the local interconnection trunks to Sprint-the-CLEC's  
24 switch. Translations efforts are estimated to require one additional  
25 switching equipment technician per operations center in each of the

1           ten centers in the BellSouth region. This equates to ten new Wage  
2           Scale 32 technicians at an approximate annual loaded labor cost of  
3           \$70,000 each, or a total of \$700,000 annually.

4  
5    Q.    WHAT ASSUMPTIONS WERE USED TO DEVELOP THE ABOVE  
6           COSTS?

7  
8    A.    The following assumptions were used to develop the costs provided  
9           above:

10       (1) Per Sprint's request, "Local" over switched access Feature Group D  
11           applies only to situations where Sprint-the-IXC has established  
12           direct end office Feature Group D trunking. If BellSouth originated  
13           toll traffic from an end office is delivered to the BellSouth access  
14           tandem, then "local" traffic will route via the CTTG to the access  
15           tandem and then over local interconnection trunking to the Sprint  
16           local switch (conventional local interconnection trunking  
17           architecture).

18       (2) When "Local" over switched access Feature Group D is  
19           implemented in a particular BellSouth end office, all originated  
20           "Local" traffic will route to Sprint over existing direct end office  
21           Feature Group D trunking.

22       (3) If BellSouth has already established a direct end office local  
23           trunking arrangement to Sprint from a particular end office, then  
24           BellSouth will not route "Local" over switched access Feature  
25           Group D from that end office.

1 (4) Sprint will not overflow more than the capacity that one DS1 (that  
2 is, 24 circuits) can accommodate of combined local and switched  
3 access traffic from BellSouth high usage trunk group to the CTTG.  
4 (5) Sprint must identify which BellSouth end office switches will be  
5 involved in the exception routing of "Local" over switched access  
6 Feature Group D.  
7 (6) Traffic that is overflowed over the CTTG to the BellSouth access  
8 tandem switch after a first route attempt to the direct end office  
9 Feature Group D trunk group will complete to Sprint-the-IXC's  
10 switch over the Feature Group D Alternate Final trunk group.  
11  
12 Q. PLEASE DESCRIBE BELLSOUTH'S ESTIMATE OF ORDERING  
13 COSTS.  
14  
15 A. No incremental ordering costs have been identified at this time, but  
16 significant costs may exist in this area.  
17  
18 Q. PLEASE DESCRIBE BELLSOUTH'S ESTIMATE OF BILLING COSTS.  
19  
20 A. No incremental billing costs have been identified at this time, but  
21 significant costs may also exist in this area.  
22  
23 Q. ARE THERE INSTANCES WHERE BELLSOUTH COMBINES MULTI-  
24 JURISDICTIONAL TRAFFIC ON THE SAME TRUNK GROUPS?  
25

1     A.     There are instances where multi-jurisdictional traffic can be and is  
2           combined on the same trunks. Between the BellSouth end office  
3           switch and the access tandem switch, equal access and non-equal  
4           access traffic can be combined on a common transport trunk group  
5           (CTTG). The same is true of transit trunk groups when ordered by a  
6           CLEC to handle the CLEC's traffic, for example, to other CLECs, or  
7           independent telephone companies. However, this has nothing to do  
8           with Sprint's request for BellSouth to identify and direct local  
9           interconnection traffic originating from BellSouth's end users to Sprint-  
10          the-IXC's switched access Feature Group D trunks when the traffic is  
11          destined to Sprint-the-CLEC's switch. The call routing functions  
12          necessary to accomplish Sprint's request have already been discussed  
13          earlier in this testimony.

14  
15     Q.     WHAT ACTION IS BELL SOUTH REQUESTING THAT THIS  
16           AUTHORITY TAKE ON THIS ISSUE?

17  
18     A.     BellSouth requests that this Authority defer action on this matter and  
19           direct the parties to continue to negotiate and develop a more  
20           complete understanding of the full implications and costs of Sprint's  
21           proposal. While BellSouth agrees that this request may be technically  
22           feasible, BellSouth has serious concerns whether it is economically  
23           practical. If Sprint desires to pursue this matter, in light of the potential  
24           costs I have described, BellSouth proposes that Sprint submit a BFR  
25           so that a detailed business proposal (including costs and



1 implementation time required) may be developed.

2

3 Mr. Ruscilli's testimony discusses Issue 9(b).

4

5 **ISSUE NO. 13: What are the appropriate provisioning intervals for**  
6 **physical collocation?**

7

8 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

9

10 A. Previously, BellSouth has proposed to Sprint that, pursuant to the  
11 FCC's Order of August 10, 2000, BellSouth will complete the  
12 provisioning of caged and cageless collocation arrangements within 90  
13 calendar days of the date BellSouth receives a bona fide application  
14 from Sprint. Within this 90 calendar day interval, BellSouth will  
15 respond to Sprint indicating whether space is available within 10  
16 calendar days. The associated firm price quote would be provided  
17 within approximately 30 calendar days.

18

19 BellSouth has reevaluated its collocation provisioning intervals and  
20 processes and is amending its position with respect to the issues  
21 addressing physical collocation intervals. Whereas previously,  
22 BellSouth has proposed a standard provisioning interval for collocation,  
23 BellSouth has now evaluated the benefits to both CLECs and  
24 BellSouth of CLEC-provided forecasts. As the Authority is aware, the  
25 issue of intervals for cageless collocation was considered in the

1 context of the DeltaCom arbitration; however, the issue of CLEC-  
2 provided forecasts was not raised for evaluation by the Authority or  
3 included in the Authority's determination of the appropriate interval for  
4 cageless collocation. BellSouth asks that this Authority consider the  
5 recent FCC decisions on this subject and BellSouth's proposal to  
6 address them. BellSouth's proposal incorporates the economies  
7 achieved by CLEC-forecasting of their collocation needs, and the FCC  
8 has expressly approved such an approach.

9  
10 Q. PLEASE COMMENT FURTHER ON THE FCC'S PROPOSAL.

11  
12 A. In its collocation reconsideration order, FCC 00-297, the FCC set a  
13 national default standard of 90 calendar days for provisioning  
14 collocation space. In that order, the FCC acknowledged the benefits of  
15 CLEC-provided forecasts by authorizing ILECs to require CLECs to  
16 provide forecasts of their collocation needs. At that time, the FCC did  
17 not provide the ILECs with any remedies for inaccurate forecasts or for  
18 a CLEC's failure to provide a forecast, preferring to leave such issues  
19 to the state commissions to address. See paragraph 39 of that Order.  
20 However, in a subsequent decision, DA 00-2528, issued November 7,  
21 2000, the FCC granted Verizon's, SBC's, and Qwest's requests for  
22 conditional waivers of the 90-day provisioning interval. In that order,  
23 the FCC acknowledged that it had now been presented with a more  
24 comprehensive record upon which to base its decision and that "this  
25 greatly expanded record countenances a moment of pause before we

1           insist on absolute compliance with that Order". See paragraph 10 of  
2           that Order. The FCC went on to expressly endorse the intervals  
3           ordered by the New York Commission for Verizon, with one minor  
4           modification. These intervals incorporate specific CLEC forecasting  
5           requirements.

6  
7       Q.     WHAT IS BELL SOUTH'S REACTION TO THE FCC'S RECENT  
8           ACTION YOU HAVE JUST DESCRIBED?

9  
10    A.     In reviewing the intervals and process adopted by the New York  
11           Commission, BellSouth believes that two major benefits can be  
12           achieved: First, CLECs will benefit from the reduced intervals made  
13           possible by the provision of CLEC forecasts. Second, BellSouth will be  
14           able to more effectively and more efficiently allocate its resources to  
15           the locations where the CLECs, through their forecasts, are requesting  
16           space.

17  
18    Q.     HAS BELL SOUTH TAKEN ANY REGULATORY ACTION WITH  
19           REGARD TO THE FCC'S RECENT DECISION?

20  
21    A.     Yes. BellSouth has filed a request with the FCC for authority to apply  
22           the New York ordered intervals, as modified by the FCC. This request  
23           is pending before the FCC. BellSouth is now requesting that this  
24           Authority consider the efficiencies obtained through CLEC-provided  
25           forecasts and adopt the proposed intervals, which are supported by the

1 FCC as promoting facilities-based competition. BellSouth proposes  
2 the intervals for physical collocation found in Verizon's collocation tariff  
3 for New York. These are set out in matrix form as Exhibit WKM-1  
4 which is attached to this testimony.

5

6 **Issue 14: Is it appropriate for BellSouth to exclude from its physical**  
7 **caged collocation interval the time interval required to secure the**  
8 **necessary building licenses and permits?**

9

10 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

11

12 A. Consistent with BellSouth's reevaluation of its policies on collocation  
13 intervals as discussed in Issue 13, BellSouth proposes that the Verizon  
14 New York tariff standard be adopted. As a practical matter, the use of  
15 the intervals in that tariff would render Issue 14 largely moot. For  
16 ordinary collocation space requests that have been included in a CLEC  
17 forecast, a separate permit interval would not be applicable in the 76  
18 day provisioning window. However, if raw collocation space (that is,  
19 space which is available but for which infrastructure work required to  
20 make it suitable for collocation has not been done) is requested, the  
21 full 91 day interval which becomes applicable includes the permit  
22 activity.

23

24 **Issue No. 17: (a) Who should designate the point of demarcation? (b)**  
25 **Where is the appropriate point of demarcation between Sprint's network**

1    **and BellSouth's network? (c) Is a Point of Termination ("POT") bay an**  
2    **appropriate point of demarcation?**

3  
4    Q.    WHAT IS BELL SOUTH'S POSITION ON PART (a) OF THIS ISSUE:  
5           WHO SHOULD DESIGNATE THE POINT OF DEMARCATION?

6  
7    A.    For the reasons discussed below, BellSouth believes that BellSouth  
8           has the right to designate the point of demarcation.

9  
10   Q.    WHY DOES BELL SOUTH BELIEVE IT HAS THE RIGHT TO  
11           DESIGNATE THE DEMARCATION POINT?

12  
13   A.    There is nothing in the 1996 Act or the FCC Rules that allows the  
14           CLEC to choose the point of demarcation on the Incumbent Local  
15           Exchange Carrier's (ILEC's) network. Thus, BellSouth has the  
16           authority to determine the demarcation point within its central offices  
17           for CLECs choosing collocation as their method of interconnecting with  
18           BellSouth's network. This is meant to ensure that space is efficiently  
19           administered to the greatest benefit of BellSouth and all collocators.  
20           The District of Columbia Circuit Court of Appeals recently addressed  
21           the issue of which party (that is, the ILEC or the CLEC) has the right to  
22           designate where collocation occurs in the ILEC's premises. The Court  
23           determined that to permit the CLEC to designate where collocation  
24           occurs in an ILEC's premises may amount to an unnecessary taking of  
25           an ILEC's premises. The right to designate the collocation site (that is,

1 where within the BellSouth central office a given collocation  
2 arrangement will be located) and to designate where that collocation  
3 arrangement terminates falls squarely within BellSouth's responsibility  
4 and is essential if BellSouth is to control and manage the space within  
5 its central offices in the most efficient manner and to the benefit of all  
6 CLECs.

7  
8 Q. WHAT IS YOUR UNDERSTANDING OF SPRINT'S POSITION?

9  
10 A. Sprint apparently wants to be able to choose what work it will perform  
11 and what work it will leave to BellSouth for collocation arrangements  
12 on a case-by-case basis. The point of demarcation establishes which  
13 party (that is, Sprint or BellSouth) performs certain required work. In  
14 some cases, Sprint might choose to establish the demarcation point at  
15 its collocation arrangement and leave the work of providing items such  
16 as connecting facilities to BellSouth. In other cases, Sprint might  
17 choose to establish the demarcation point at a conventional distributing  
18 frame (CDF) and provide items such as connecting facilities for itself.  
19 Thus, Sprint would choose whatever method is in its own best interests  
20 and most advantageous to itself in a given situation without any regard  
21 to the effect on BellSouth or the future availability of space to other  
22 CLECs.

23  
24 Q. WHAT IS BELL SOUTH'S POSITION ON PART (b) OF THIS ISSUE:  
25 WHERE IS THE APPROPRIATE POINT OF DEMARCATION

1           BETWEEN SPRINT'S NETWORK AND BELL SOUTH'S NETWORK?

2

3       A.     Each party should be responsible for maintenance and operation of all  
4           equipment/facilities on its side of the demarcation point. For 2-wire  
5           and 4-wire connections to BellSouth's network, the demarcation point  
6           should be a common block on the BellSouth designated CDF. The  
7           CLEC should be responsible for providing, and the CLEC's Certified  
8           Vendor should be responsible for installing and properly  
9           labeling/stenciling, the common block and necessary cabling to the  
10          established demarcation point. For all other terminations, BellSouth  
11          shall designate a demarcation point on a per arrangement basis. This  
12          is the same location BellSouth would terminate its own similar  
13          equipment. Moreover, Sprint has complete access to the distributing  
14          frame for maintenance purposes.

15

16       Q.     TURNING TO PART (C) OF THIS ISSUE, IS THE POINT OF  
17           TERMINATION (POT) BAY OR FRAME AN APPROPRIATE  
18           DEMARCATIION POINT?

19

20       A.     No. As discussed above, BellSouth should be permitted to designate  
21           the appropriate demarcation point, which is normally the distributing  
22           frame as discussed earlier. Sprint may choose to use a Sprint  
23           provided POT bay within its collocation space as an intermediary  
24           device but it should not serve as the demarcation point.

25

1 **Issue 18: In instances where Sprint desires to add additional collocation**  
2 **equipment that would require BellSouth to complete additional space**  
3 **preparation work, should BellSouth be willing to commit to specific**  
4 **completion intervals for specific types of additions and augmentations**  
5 **to the collocation space?**

6  
7 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

8  
9 A. Consistent with the Bell Atlantic tariff approach discussed above,  
10 BellSouth proposes that it should not be required to commit to specific  
11 completion intervals for specific types of additions and augmentations  
12 to existing collocation space. Rather, such applications should be  
13 treated in the same manner as new applications.

14  
15 Q. WHAT IS THE BASIS FOR BELL SOUTH'S POSITION?

16  
17 A. BellSouth will have different implementation intervals depending on the  
18 type and magnitude of additions or augmentations, so each one needs  
19 to be reviewed individually. Thus, each addition or augmentation  
20 should be treated in the same manner as a new application. Please  
21 see my discussion of Issue 13 for BellSouth's proposed provisioning  
22 intervals for physical collocation arrangements. Ultimately, the amount  
23 of work required of BellSouth and the associated time to complete that  
24 work depends on the nature and scope of the requested change in a  
25 given central office. For example, the same amount of collocation



1 space might be requested in different central offices and require  
2 different infrastructure, building, and power jobs to meet the needs of  
3 those requests based on the circumstances in each central office  
4 related to the availability of power equipment, overhead racking and  
5 the like. Thus, BellSouth believes the best approach is to treat  
6 collocation augmentation applications the same as initial collocation  
7 applications.

8

9 **ISSUE NO. 20: Under what conditions should Sprint be permitted to**  
10 **convert in place when transitioning from a virtual collocation**  
11 **arrangement to a cageless physical collocation arrangement?**

12

13 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

14

15 A. BellSouth believes there are situations under which Sprint should be  
16 permitted to convert existing virtual collocation arrangements to a  
17 cageless physical collocation arrangement in place (that is, without  
18 requiring that the equipment be relocated to a different area of the  
19 central office) while in other situations it is appropriate to relocate the  
20 equipment.

21

22 Q. PLEASE DESCRIBE THE CONDITIONS UNDER WHICH  
23 BELL SOUTH BELIEVES IN PLACE CONVERSIONS FROM VIRTUAL  
24 COLLOCATION ARRANGEMENTS TO PHYSICAL COLLOCATION  
25 ARRANGEMENTS ARE APPROPRIATE.

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2  
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25

A. BellSouth considers the following prior to authorizing a conversion of a virtual collocation arrangement to a physical collocation arrangement in place:

1. Whether there is a change in the amount of equipment or a change to the arrangement of the existing equipment, such as re-cabling of the equipment;
2. Whether the conversion of the virtual collocation arrangement would cause the arrangement to be located in the area of the premises reserved for BellSouth's forecast of future growth;
3. Whether, due to the location of the virtual collocation arrangement, the conversion of said arrangement to a physical collocation arrangement would impact BellSouth's ability to "take reasonable steps to protect its own equipment, such as enclosing the equipment in its own cage ...." (FCC 99-48, Paragraph 42);
4. Whether BellSouth and the requesting collocater have an agreement that is in compliance with the FCC's rules;
5. Whether there are extenuating circumstances or technical reasons that would make the arrangement a safety hazard within the premises or otherwise not be in conformance with the terms and conditions of the collocation agreement; and
6. Whether there are other considerations with respect to the placement of a collocation arrangement including cabling distances between related equipment, the grouping of equipment into families

1 of equipment, the equipment's electrical grounding requirements,  
2 and future growth needs that would make the conversion  
3 impractical.

4  
5 BellSouth considers all these issues with the overall goal of making the  
6 most efficient use of available space to ensure that as many CLECs as  
7 possible are able to collocate in the space available. BellSouth will  
8 authorize the conversion of virtual collocation arrangements to physical  
9 collocation arrangements without requiring the relocation of the virtual  
10 arrangement when the conditions I discussed above are satisfied.

11  
12 Q. IS THERE A RECENT COURT RULING THAT DEALS WITH THIS  
13 ISSUE?

14  
15 A. Yes. In GTE Service Corporation v. FCC, 205 F.3d 416, (March 17,  
16 2000), the U.S. Court of Appeals for the District of Columbia Circuit  
17 held that the ILEC, rather than the CLEC, may determine where the  
18 CLEC's physical collocation equipment should be placed within a  
19 central office. This applies equally to situations where the CLEC is  
20 converting from virtual to physical collocation. BellSouth believes the  
21 conditions described above under which it will convert virtual  
22 collocation arrangements to physical collocation arrangements are  
23 reasonable.

24  
25 **Issue 21: Should Sprint be required to pay the entire cost of make-ready**

1     **work prior to BellSouth's satisfactory completion of the work?**

2

3     Q.     WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

4

5     A.     "Make-ready work" refers to all work performed by BellSouth or its  
6             contractors to prepare BellSouth's conduit systems, poles or anchors  
7             and related facilities for the occupancy or attachment of a CLEC's  
8             facilities by requesting CLECs. Sprint should be required to pay in  
9             advance for any such work that Sprint requests BellSouth to perform  
10            as do other CLECs that have signed BellSouth's standard License  
11            Agreement for Rights of Way (ROW), Conduits, and Pole Attachments.  
12            BellSouth should not be required to finance Sprint's business plans.

13

14    Q.     WHAT IS YOUR UNDERSTANDING OF SPRINT'S POSITION?

15

16    A.     Sprint's position is that a requirement for advance payment would  
17             deprive Sprint of its primary recourse in the event that the work is not  
18             performed in a satisfactory manner - a position with which I do not  
19             agree. It is not unusual for contractors to require payment in advance.  
20             Furthermore, there is no harm to Sprint, given Sprint's offer to pay half  
21             the amount due in advance in any event and Sprint's position that it will  
22             pay BellSouth the remainder upon completion of the work to Sprint's  
23             satisfaction. The inclusion of Sprint's proposal in the proposed  
24             interconnection agreement, and therefore ultimately in other  
25             interconnection agreements would simply invite baseless disputes over

1           whether the work was "satisfactorily" completed as a means of  
2           delaying payment. Sprint and other CLECs have effective means of  
3           recourse should they believe a work request was not completed in a  
4           satisfactory manner.

5  
6       **ISSUE NO. 45: (a) What is the appropriate period for the parties to**  
7       **reserve floor space for their own specific uses? (b) Upon denial of a**  
8       **Sprint request for physical collocation, what justification, if any, should**  
9       **BellSouth be required to provide to Sprint for space that BellSouth has**  
10       **reserved for itself or its affiliates at the requested premises? (c) Should**  
11       **BellSouth be required to disclose to Sprint the space it reserves for its**  
12       **own future growth and for its interLATA, advanced services, and other**  
13       **affiliates upon request and in conjunction with a denial of Sprint's**  
14       **request for physical collocation? (d) In the event that obsolete unused**  
15       **equipment is removed from a BellSouth premises, who should bear the**  
16       **cost of such removal?**

17  
18       Q.     WHAT IS BELLSOUTH'S POSITION ON PART (A) OF THIS ISSUE  
19             CONCERNING THE APPROPRIATE PERIOD FOR WHICH  
20             POTENTIAL PHYSICAL COLLOCATION SPACE MAY BE  
21             RESERVED BY EACH OF THE PARTIES?

22  
23       A.     BellSouth believes two (2) years is an appropriate planning period for  
24             the utilization of space in BellSouth's equipment spaces.

1 Q. PLEASE COMMENT ON BELL SOUTH'S SPACE UTILIZATION  
2 STANDARDS.

3  
4 A. In its First Report and Order, the FCC ruled that "restrictions on  
5 warehousing of space by interconnectors are appropriate. Because  
6 collocation space on incumbent LEC premises may be limited,  
7 inefficient use of space by one competitive entrant could deprive  
8 another entrant of the opportunity to collocate facilities or expand  
9 existing space." CC 96-325, at Paragraph 586. The FCC also  
10 provides that "Incumbent LECs may not ... reserve space for future use  
11 on terms more favorable than those that apply to other  
12 telecommunications carriers seeking to hold collocation space for their  
13 own future use." CC 96-325, at Paragraph 604.

14  
15 BellSouth applies to CLECs the same standards it applies to itself  
16 regarding the reservation of space. CLECs may reserve space for a  
17 two-year period. If space is exhausted at a premises and BellSouth  
18 files a waiver petition with the Authority, BellSouth must justify its own  
19 space reservation to the Authority. Likewise, BellSouth feels it is  
20 reasonable to require a CLEC to justify any vacant space within its  
21 collocation space if a premises is at space exhaust. Consequently,  
22 BellSouth feels it is appropriate to advise the Authority of any vacant  
23 CLEC space within its premises and leave it to the Authority to  
24 determine whether a CLEC is warehousing space or not.

25

1 Q. PLEASE EXPLAIN BELL SOUTH'S PROCESS FOR DETERMINING  
2 PROJECTED EQUIPMENT REQUIREMENTS?

3  
4 A. Currently, BellSouth projects equipment requirements for the future  
5 based on the actual demand of the past plus its understanding of  
6 future needs. BellSouth uses the geographically based forecast of  
7 network access line demand to determine the line peripherals required  
8 and relies heavily upon the recent trend of trunk demand to project the  
9 trunk peripherals required. BellSouth uses its professional judgment  
10 and experience in applying the trended forecast to the equipment  
11 requirements when it is aware of an unusual occurrence that has, or  
12 will, take place. BellSouth deploys hardware equipment (that is, the  
13 frames or bays of equipment along with associated cabling and wiring)  
14 to last approximately 18 months. Once installed, BellSouth deploys  
15 the expensive electronics or plug-ins into those frames or bays as  
16 demand occurs, which is approximately every six months in volatile  
17 switches. This allows BellSouth to respond economically and quickly  
18 to interconnecting customer demand. BellSouth plans its equipment  
19 provisioning within a 24 to 36 month horizon.

20  
21 Q. EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO  
22 DETERMINE THE EQUIPMENT REQUIREMENTS FOR TANDEM  
23 SWITCHES.

24

- 1     A.     Tandem switches provide for interconnection between BellSouth's  
2           network and other carrier networks. These switches are the primary  
3           points of interconnection with other carriers - interexchange carriers,  
4           wireless carriers, CLECs, and other independent companies. It is  
5           critical that BellSouth be able to continue equipment growth in these  
6           switches in order to allow traffic to traverse from one carrier's network  
7           to another. BellSouth's Capacity Managers trend the projection of  
8           trunks based on the most recent actual demand and produce a circuit  
9           quantity forecast (usually expressed in DS-1s) of switch terminations  
10          required. Trunk demand on BellSouth's tandem switches is driven by  
11          interconnection to the other carriers' networks, as well as from  
12          BellSouth's local switches to provide end users' access to other  
13          interconnect providers. When there is no forecast provided by these  
14          carriers, trending is used.
- 15
- 16     Q.     EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO  
17           DETERMINE THE EQUIPMENT REQUIREMENTS FOR END OFFICE  
18           SWITCHES.
- 19
- 20     A.     The end office switch provides service to the end users within the  
21           specified geographical boundaries of the wire center (central office).  
22           The equipment demand is driven by access line requirements, trunk  
23           requirements, and value-added services. For line requirements, the  
24           Switch Capacity Manager receives a geographically based forecast of  
25           the number of lines projected for growth. The outside plant Loop



1 Capacity Manager receives the same forecast and then forecasts the  
2 loop feeder growth to be served on digital systems that will be  
3 integrated into the switch, and the associated access line count. This  
4 is based on his/her knowledge of the outside plant distribution growth  
5 strategy. This forecast is provided to the Switch Capacity Manager  
6 who calculates the remaining analog access line requirement from the  
7 overall access line projection. For trunk requirements, the projection is  
8 based on trending the most recent actual demand. Due to the recent  
9 volatility of local trunking demand driven especially by Internet service  
10 provider access and PRI-ISDN (Primary Rate Interface-Integrated  
11 Services Digital Network) hubbing arrangements, the interoffice trunk  
12 requirements are trended. The Switch Capacity Manager or the Circuit  
13 Capacity Manger determines those requirements, and the Switch  
14 Capacity Manager turns them into trunk equipment needs. The Switch  
15 Capacity Manager's requirements and projections are trued up based  
16 on historical data and his/her knowledge of unusual activities. In  
17 addition, the Switch Capacity Manager considers services to be  
18 provided such as caller ID, calling name delivery, and other value-  
19 added services and determines the equipment requirements to satisfy  
20 all those demands.

21  
22 Q. EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO  
23 DETERMINE THE EQUIPMENT REQUIREMENTS FOR TOPS  
24 (TRAFFIC OPERATOR POSITION SYSTEM) SWITCHES.

25

1     A.     TOPS switches provide for operator services requirements. The  
2           demand for equipment is driven by the need to expand or modernize  
3           the operator services network, which sometimes requires the  
4           replacement of some older technology with newer technology. These  
5           requirements are planned by BellSouth's Operator Services  
6           organization. The requirements are provided to the Switch Capacity  
7           Manager, who places the equipment order on the vendor and oversees  
8           the implementation of the project.

9  
10    Q.    EXPLAIN THE PROCESS THAT CAPACITY MANAGERS USE TO  
11           DETERMINE THE EQUIPMENT REQUIREMENTS FOR SIGNAL  
12           TRANSFER POINT (STP) AND SERVICE CONTROL POINT (SCP)  
13           SYSTEMS.

14  
15    A.    The function of a STP is to provide the SS7 signaling necessary to  
16           complete calls across the network. The SCPs are databases that  
17           contain information regarding features and services in the network (for  
18           example, calling name, LIDB (line information database used to  
19           validate 0+ credit card calls)). These devices are planned by  
20           BellSouth's Regional Planning and Engineering Center (RPEC), a  
21           regional center that monitors the capacity, plans relief, orders  
22           equipment, and provides the frame requirements to the Common  
23           Systems Capacity Manager.

24

1 Q. EXPLAIN THE PROCESS THAT CIRCUIT CAPACITY MANAGERS  
2 USE TO DETERMINE THE EQUIPMENT REQUIREMENTS FOR THE  
3 INTEROFFICE NETWORK.  
4

5 A. Circuit Capacity Managers oversee the interoffice trunking network and  
6 plan the associated equipment requirements. In projecting future  
7 equipment requirements, the Circuit Capacity Manager identifies the  
8 need for additional test access, metallic repeater equipment,  
9 Synchronous Optical NETWORK (SONET) equipment, digital cross-  
10 connect system growth, and associated cross-connect panels. The  
11 Circuit Capacity Manager considers interoffice message trunk growth,  
12 ISP (Internet Service Provider) trunk growth, and interexchange carrier  
13 and CLEC trunk requirements. The Circuit Capacity Manager must  
14 also consider the expected growth for customer-driven SONET-based  
15 smart rings as well as interoffice SONET rings. The Circuit Capacity  
16 Manager is also an interface to the outside plant capacity manager,  
17 who provides requirements to them on the placement of equipment in  
18 this area for next-generation digital loop carrier equipment, loop  
19 multiplexers and fiber distribution frames. The Circuit Capacity  
20 Manager considers all of the above requirements and when they are  
21 requested, they provide the Common Systems Capacity Manager with  
22 an estimated equipment requirement.  
23

1 Q. EXPLAIN THE PROCESS THAT POWER CAPACITY MANAGERS  
2 USE TO DETERMINE THE EQUIPMENT REQUIREMENTS FOR DC  
3 POWER AND ALTERNATE ENGINES.

4  
5 A. Power Capacity Managers project the growth of Direct Current (DC)  
6 power equipment and alternate standby engines. DC power  
7 equipment needs for rectifiers and batteries are identified by an outside  
8 vendor and provided to the Power Capacity Manager. The Power  
9 Capacity Manager plans the replacement and upgrade of optional  
10 standby engines.

11  
12 Q. EXPLAIN THE PROCESS THAT COMMON SYSTEMS CAPACITY  
13 MANAGERS USE TO RESERVE SPACE FOR CENTRAL OFFICE  
14 EQUIPMENT.

15  
16 A. The Common Systems Capacity Manager ensures that all installed  
17 equipment is properly designated on the floor plan, outstanding  
18 equipment orders for additional equipment, as well as equipment to be  
19 removed, are reflected and space for future equipment projections is  
20 reserved.

21  
22 Q. WHY DOES BELL SOUTH UTILIZE THIS PROCESS FOR  
23 DETERMINING EQUIPMENT REQUIREMENTS AND FLOOR SPACE  
24 REQUIREMENTS?

25

1     A.     This process ensures that the various types of equipment are  
2           appropriately forecasted for future growth, that capital investment is  
3           effectively utilized, and that central office space is efficiently utilized  
4           both for BellSouth's needs and all collocators' needs. This process  
5           allows BellSouth to provide timely customer service to local end users  
6           and interconnecting customers.

7  
8     Q.     HOW DOES BELL SOUTH WANT THE AUTHORITY TO RESOLVE  
9           THIS ISSUE?

10  
11    A.     The Authority should affirm that its existing procedure for addressing  
12           collocation space exhaust petitions is appropriate and consistent with  
13           FCC rules.

14  
15    Q.     WHAT IS BELL SOUTH'S POSITION ON PARTS (B) AND (C) OF  
16           THIS ISSUE: (B) UPON DENIAL OF A SPRINT REQUEST FOR  
17           PHYSICAL COLLOCATION, WHAT JUSTIFICATION, IF ANY,  
18           SHOULD BELL SOUTH BE REQUIRED TO PROVIDE TO SPRINT  
19           FOR SPACE THAT BELL SOUTH HAS RESERVED FOR ITSELF OR  
20           ITS AFFILIATES AT THE REQUESTED PREMISES; (C) SHOULD  
21           BELL SOUTH BE REQUIRED TO DISCLOSE TO SPRINT THE  
22           SPACE IT RESERVES FOR ITS OWN FUTURE GROWTH AND FOR  
23           ITS INTERLATA, ADVANCED SERVICES, AND OTHER AFFILIATES  
24           UPON REQUEST AND IN CONJUNCTION WITH A DENIAL OF  
25           SPRINT'S REQUEST FOR PHYSICAL COLLOCATION?

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Q. WHAT IS BELL SOUTH'S POSITION ON THESE ISSUES?

BellSouth believes that a reasonable resolution of these issues was determined by the Georgia Public Service Commission (GPSC) in its Order dated July 23, 1999, in Docket No. 10429-U. That docket was conducted for the express purpose of establishing procedures for the handling of collocation waiver requests filed by ILECs. Sprint was one of the participants in that docket. The Georgia Commission's order endorses the parties' consensus regarding the information to be furnished when an ILEC seeks a collocation waiver.

The requirements of this Georgia Commission's order have been incorporated into BellSouth standard operating procedures for eight states and are what BellSouth currently provides in Tennessee. Additionally, BellSouth will show what space BellSouth or its affiliates have reserved for future use and detail the specific future uses of and the length of time for each reservation. BellSouth believes the information being provided is sufficient for the Authority to determine the reasonableness of BellSouth's denial of a physical collocation request. Further, BellSouth believes that the information being provided is consistent with two orders this Authority has issued that dealt with examples of this issue: Docket No. 00-00357 related to the Brentwood Central Office and Docket No. 00-00358 related to the Dickson Central Office.

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BellSouth requests that the Authority determine that what is currently being provided the TRA is sufficient in those cases in which a physical collocation space request is denied.

Q. WHAT IS BELLSOUTH'S POSITION ON PART (D) OF THIS ISSUE CONCERNING THE RESPONSIBILITY FOR THE COST OF REMOVING OBSOLETE UNUSED CENTRAL OFFICE EQUIPMENT AT THE REQUEST OF A CLEC?

A. In most cases, BellSouth will remove obsolete unused equipment upon Sprint's request at no additional charge to Sprint over the standardized space preparation charge. If a CLEC requests that BellSouth remove unused obsolete equipment ahead of its scheduled removal, as I will discuss below, BellSouth will comply with such a request at the expense of the CLEC.

Q. WHAT IS THE BASIS OF BELLSOUTH'S POSITION?

A. First of all, it takes time and money to remove obsolete equipment, and the removal itself should be done carefully so as not to disrupt customer service provided by other equipment which is located nearby or which shares infrastructure components. BellSouth removes unused obsolete equipment on a schedule coordinated with other similar activities to be performed within the central office premises. It

1 is BellSouth's intent to proactively remove unused obsolete equipment  
2 prior to a central office reaching exhaust. In the normal course of  
3 events, BellSouth believes the removal of obsolete equipment will not  
4 arise as an issue. However, should removal of such equipment  
5 become an issue independent of a collocation application, and  
6 BellSouth is requested to act ahead of its normal removal schedule,  
7 the requesting CLEC should bear the appropriate incremental costs of  
8 early removal. For example, assume floor space is available for  
9 collocation but a CLEC makes a request that BellSouth remove certain  
10 unused obsolete equipment earlier than would otherwise be necessary  
11 and that BellSouth agrees to the CLEC's request. In such a situation,  
12 BellSouth would spend its money earlier than otherwise and would  
13 have to open a second equipment removal project creating additional  
14 expense. The costs BellSouth would seek to recover from the CLEC  
15 making the request would include, but not necessarily be limited to,  
16 such costs as the time value of money, and the cost of opening the  
17 unplanned equipment removal job.

18

19 **Issue 47: Upon denial of a Sprint request for physical collocation, and**  
20 **prior to the walkthrough, should BellSouth be required to provide full-**  
21 **sized (e.g., 24-inch x 36-inch) engineering floor plans and engineering**  
22 **forecasts for the premises in question?**

23

24 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

25



1     A.     The information about the Georgia Public Service Commission's order  
2           addressing information BellSouth is to provide as part of a collocation  
3           waiver request that I discussed earlier in my testimony is equally  
4           applicable here. BellSouth has complied with and will continue to  
5           comply with the Georgia order and the process used in the Tennessee  
6           waiver requests for the Brentwood and Dickson central offices.  
7           BellSouth believes the information being provided upon space exhaust  
8           is sufficient for other CLECs, this Authority, and Commissions in other  
9           states. Likewise, it should be sufficient for Sprint. In short, the floor  
10          plan drawings being submitted to the Authority are a reasonable  
11          response to Sprint's needs in this regard.

12

13    Q.     DOES THIS CONCLUDE YOUR TESTIMONY?

14

15    A.     Yes.

### Proposed Physical Collocation Provisioning Intervals

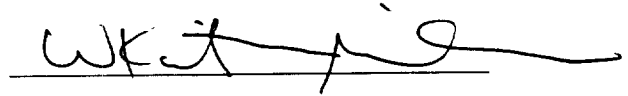
<u>Type Of Collocation</u>	<u>Application</u>	<u>Space Availability</u>	<u>Completion</u>	<u>Space Availability Exception</u>	<u>Forecasting Exception</u>	<u>CLEC Delays</u>	<u>Vendor Delays</u>
Caged/Cageless conditioned space properly forecast	Day 1	8 Business Days	76 Business Days	Can be extended up to 20 business days where space is not readily available		Day for Day Adjustment For CLEC Delays	Permits a Negotiated Interval
Caged/Cageless conditioned space unforecasted	Day 1	8 Business Days	76 Business Days	Can be extended up to 20 business days where space is not readily available	No Forecast - can be extended up to 2 months	Day for Day Adjustment For CLEC Delays	Permits a Negotiated Interval
Caged/Cageless major construction obstacles or special applicant requirements, properly forecast	Day 1	8 Business Days	91 Business Days Upon Notification	Can be extended up to 20 business days where space is not readily available		Day for Day Adjustment For CLEC Delays	Permits a Negotiated Interval
Caged/Cageless major construction obstacles or special applicant requirements, unforecasted	Day 1	8 Business Days	91 Business Days Upon Notification	Can be extended up to 20 business days where space is not readily available	No Forecast - can be extended up to 2 months	Day for Day Adjustment For CLEC Delays	Permits a Negotiated Interval
<b>Forecast Received</b>							
<b>Interval Starts</b>							
No Forecast			2 months after application date				
1 month prior to application date			2 months after application date				
2 months prior to application date			1 month after application date				
3 months prior to application date			On application date				

AFFIDAVIT

STATE OF: Georgia  
COUNTY OF: Fulton

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared W. Keith Milner –Senior Director – Interconnection Services, BellSouth Telecommunications Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 00-00691 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 38 pages and 1 exhibit(s).



W. Keith Milner

Sworn to and subscribed  
before me on 4/28/03

  
NOTARY PUBLIC

